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Japan

Continuing Reports on U.S. Procurement Talks

Article on Possible U.S. Sanctions

OW0408053594 Tokyo TOKYO SHIMBUN in Japanese 2 Aug 94 Morning Edition p 3

[By Mamoru Onoki]

[Text] Washington, 1 Aug—Japanese-U.S. vice-ministerial talks on the Japanese Government's procurement of telecommunications and medical equipment broke down, and the U.S. Trade Representative (USTR) specified on 31 July that the government procurement sector will be subject to sanctions. The USTR did this because of the Clinton administration's fundamental diplomatic strategy, which "attaches importance to results." But this fundamental strategy does not necessarily take into consideration the impact of the decision on both countries' economies. This is also a decision that has become the first trial of the Murayama administration. However, as long as the U.S. Government does not demonstrate a policy of seeking a "cooperative system" in a true sense, many people predict that this will be only the beginning of ordeals for the Murayama administration.

It seems that officials of the U.S. Government, when they decided to take action against Japan, did not realize that they had "taken a drastic measure." The statement that USTR Kantor made on 31 July showed this very well.

Throughout the statement, USTR Kantor used harsh words, in explaining how Japan's government procurement system had prevented U.S. companies from making inroads into the Japanese market. What he said at the beginning of the statement, however, was quite contrary to our expectations. Instead of lambasting the closed nature of Japan's market, Kantor abruptly begun to talk about resuming the negotiations, saying, "Following the decision to use our trade laws, we will begin the 60-day period of negotiations with Japan."

This can be understood as a signal from the United States that it does not want an all-out confrontation between the two countries and that "the negotiations have not come to a rupture."

The issue of liberalizing the construction market was settled almost one year after it had been specified as a subject of sanctions. Compared to this, negotiations on the issue of government procurement have just begun. What the United States is saying is that no decision has been made to impose sanctions.

On 30 July, when the Japanese-U.S talks collapsed, White House press secretary Dee Dee Myers immediately said that "President Clinton expects the talks to resume." This remark can be understood as the President's judgment that an all-out economic war between the two countries is not beneficial to the United States either.

The Clinton administration is considerate of Japan not just because it is worried about the possible impact [of the talks] on the foreign exchange markets—such as a sudden fall in the dollar.

The United States is bewildered by and distrustful of the political situation in Japan, where four prime ministers have been elected in the about 18 months since the Clinton administration was inaugurated. In particular, the Clinton administration is wary of the Murayama administration, which is supported by the Social Democratic Party of Japan and the Liberal Democratic Party. He said, "We still do not know its true colors."

At a joint news conference held after Japanese-U.S. summit meeting at the Naples [G-7] summit, where he met Prime Minister Murayama for the first time, President Clinton made harmless and inoffensive remarks. At a news conference with White House reporters, which was held after the joint news conference, however, President Clinton began to criticize the strong yen, saying that "the problem is the strong yen." It seems that President Clinton did not criticize the strong yen at the joint news conference because he could not be frank with the Murayama administration.

However, the recent decision to impose sanctions merely shelved the problem.

In late September, the deadline for the 60-day negotiating period, the United States will decide whether or not to employ the Super 301 measure, which can be applied to extensive areas.

At that time, the Clinton administration will be exposed to stronger domestic pressures from the Congress and other organizations because midterm elections will be held in early November.

Like Japan, which is struggling to deal with the situation, the Clinton administration is also standing at the edge of a precipice. The Clinton administration pushed for a "priority of results," while paying the "dear price" of the sharply falling dollar. Because of this, the Clinton administration cannot budge an inch and is making itself the prisoner of its own deed. This is the real image of the Clinton administration.

Editorial Urges Political Initiative

OW0408083994 Tokyo TOKYO SHIMBUN in Japanese 2 Aug 94 Morning Edition p 6

[Editorial: "Where Are the Deadlocked Japan-U.S. Talks Going?"; first paragraph is TOKYO SHIMBUN introduction]

[Text] Japan-U.S. economic framework negotiations are still spellbound with the "theological argument," which started with the Japan-U.S. talks in July last year. Either Japan or the United States taking the political initiative is the only way to make a breakthrough in the deadlocked negotiations, but...

As predicted, Japan-U.S. negotiations on government procurement of telecommunications and medical equipment remain at odds over "objective criteria." Following the talks' failure, the United States has decided to put Japan on its sanctions list, as stipulated in an Omnibus Trade Act article on government procurement, saying Japan is discriminating against U.S. companies.

But the U.S. Government has said it has given Japan two months to improve the situation; otherwise, it will take sanctions measures, including the removal of Japanese companies from the U.S. Government's equipment procurement list. If an agreement is reached within the two months, the United States plans to withdraw its decision. Although the Japanese have reacted against the U.S. decision by saying "we cannot continue negotiations under a threat of sanctions," it will have to continue negotiations to the very end to avoid sanctions.

With the United States deciding on taking such proceedings under the deadlocked situation, ordinary people must be increasingly confused about who is wrong or right and what the niceties of the negotiations are. However, what is apparent is that prospects for a breakthrough in the deadlocked talks are dim because underlying the two countries' conflict is a theological problem, the so-called "objective criteria."

In view of this, it seems that continuing the negotiations under the current framework will not give any advantage to either nation.

For the Clinton government, which has taken a "result-oriented" approach from the outset in dealing with the economic framework talks with Japan, setting up objective criteria is indispensable. Underlying such an approach is its intention to force Japan to take responsibility for producing a result for U.S.-products in the Japanese market. In a sense, it can be said that the United States' judicial manner—which does not suit the characteristics of "economic talks"—is aggravating the negotiations.

However, Japan cannot make no concessions. If Japan promises to achieve a "qualitative and quantitative" target regarding the future opening up of its market—even if it is in the field of government procurement—to U.S.-made products, it will eventually lead to the government's high-handed intervention in the market or to aggravating Japan-U.S. friction because there is the possibility that the United States will blame Japan for the possible failure in meeting the agreement.

Even if a rhetorical agreement is reached, it will be merely a fruitless agreement shelving the issue if the two countries maintain their current stances.

If the two countries should continue fruitless negotiations, the conflict between them would deepen. This should be avoided, and to do so, either Japan or the United States needs to propose establishing a new framework for constructive negotiations by taking a strong political initiative. However, it is questionable whether the present leaders of the two nations have such a leadership.

Article Views Direction of Talks

OW0408060194 Tokyo TOKYO SHIMBUN in Japanese 2 Aug 94 Morning Edition p 7

[By Shigeki Igarashi: "Breakthrough or Head-On Collision"]

[Text] On 31 July (1 August in Japan), the U.S. Government concluded that Japan's practices in the government procurement of telecommunications and medical equipment are exclusionary, and it started implementing procedures for imposing sanctions because of these unfair practices. The date for implementing the sanctions is 30 September, and this is very likely to affect the future direction of the Japanese-U.S. economic framework talks. Hereafter, the focal point of the framework talks is whether the two nations can break the deadlock through ministerial talks scheduled for early September, or whether they will arrive at a head-on collision in all negotiating fields, including the talks on the auto sector. The following are the possible scenarios for the framework talks:

Case One—Government Procurement Talks as a Touchstone

Japan and the United States will continue government procurement talks in the coming two months. The United States is likely to impose economic sanctions on Japan if no progress is made concerning the U.S. demands for objective criteria to measure the openness of the market and for the NTT Corporation's expanded procurement of foreign-made equipment. The GATT accord on government procurement sets 130,000 SDR's (special drawing rights—equivalent to 21 million yen)—as the [minimum] level of applicable contracts [for open bidding]. To avoid Japan's filing of complaints with GATT, the United States is expected to adopt a strategy of concentrating its sanctions on small-amount contracts which are below the level provided for in the GATT accord. [sentence as published]

If the United States imposes sanctions on Japan, the government procurement talks will be stopped immediately. As a further countermeasure, Japan may freeze simplified government procurement procedures which were set under the economic reform package in March; however, this depends on Prime Minister Murayama's political decision.

Case Two—Japan's Withdrawal From Negotiations

The recent vice-ministerial talks were deadlocked over the U.S. demand for objective criteria, and this subject is a common point of dispute in all priority negotiating fields in the framework talks: government procurement, automobiles and auto parts, and insurance. Japanese negotiators rejected the U.S. demand on the objective criteria because accepting such numerical targets that commit to quantities of future imports would certainly affect other negotiation fields. Foreign Minister Yohei Kono and Ryutaro Hashimoto, international trade and industry minister, are scheduled to meet U.S. Trade Representative Mickey Kantor in September, but they have no intention of making any concessions on this point.

Meanwhile, the United States has to specify the relevant unfair trade practices and unfair trading nations by 30 September, according to the Super 301 clause of the Omnibus Trade Act. The United States is likely to use this as a bargaining chip in the framework talks, saying "the Super 301 sanctions will be imposed on automobiles and other Japanese products if Japan makes no concessions on objective criteria."

When the United States imposes sanctions on Japan's government procurement practices and uses Super 301 as a weapon in negotiations, the Japanese Government is highly likely to stop the framework talks in all negotiation fields.

Case Three—Changed Circumstances

Japan's trade surplus has begun to decline, and even U.S. Government officials are beginning to question the Clinton administration's "results-oriented" trade policies. Japan has already hammered out simplified government procurement procedures in some fields, and this is expected to increase Japan's imports. When the new procurement policies take effect, U.S. industrial circles backing the Clinton administration may weaken their pressure on Japan.

Such changed circumstances may ease U.S. criticism of Japan, but, even in that case, the Clinton administration is unlikely to give up its "results-oriented" stand. Commenting on this scenario, a Foreign Ministry official said, "This looks too optimistic, taking into account the lineup of the Clinton administration's brain trust." Japanese-U.S. economic relations are likely to face rough going even after this summer.

Tokyo Lawmakers Assure U.S. of Stability

OW0408094994 Tokyo KYODO in English 0852 GMT 4 Aug 94

[Text] Washington, Aug. 4 KYODO—Legislators from Japan's ruling parties assured U.S. politicians on Wednesday that the Japanese coalition government is stable.

A House of Representatives mission led by Takashi Fukaya of the Liberal Democratic Party (LDP) is currently visiting Washington to study U.S. politics and the economy.

In meetings with U.S. House Budget Committee Chairman Martin Sabo and State Department officials, the Japanese legislators stressed that the three coalition parties—the LDP, the Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger]—are in firm agreement on policies.

They also told U.S. officials that a House of Representatives election under the new electoral system is likely to be held in September next year.

The mission consists of Fukaya, Seishiro Eto also of the LDP, and Tomio Sakagami of the SDPJ.

DA on Cutting Payments for U.S. Forces in Japan

OW0408035694 Tokyo SANKEI SHIMBUN in Japanese 2 Aug 94 Morning Edition p 2

[Text] At a 1 August news conference, Shigeru Hatakeyama, Defense Agency [DA] administrative vice minister, commented on a government decision to hold down the growth rate of defense spending under budget request ceilings for FY 1995 to 0.9 percent. Regarding "various coordination measures" which were agreed on by the ruling parties as measures to cope with the moderate budget ceiling, Hatakeyama said, "All factors (including Japan's share of expenses for U.S. forces stationed in Japan) will possibly be taken up for study." Thus, he indicated that in working out a draft budget request to be submitted to the Finance Ministry by the end of this month, the DA would study measures to deal with the 0.9-percent growth ceiling, including an adjustment of Japan's bearing the cost of the stationing of U.S. forces in Japan.

Under the Japanese-U.S. special agreement, Japan is supposed to bear the cost of the basic pay of Japanese employees working on U.S. bases, as well as part of the costs for electricity, heat, and water used by the U.S. forces in Japan. Because Japan will bear the full amount of those costs from FY 1995, Japan's share of expenses for U.S. forces stationed in Japan is expected to reach approximately 150 billion yen.

Mitsubishi To Produce V-6 Transmissions in U.S.

942A0502A Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jul 94 p 1

[Text] Starting at the beginning of 1995, Mitsubishi Motors will produce luxury class models carrying the V-6 cylinder engine in its mainstay passenger car "Galant" at a U.S. passenger car plant, and will put it on sale in the fall. The engines will be exported from Japan, but all the transmissions, the auto part nucleus, will be purchased from U.S. Chrysler, reducing costs by local procurement. The aim is to strengthen overseas production to deal with the rapid advance of the high yen and to increase competitiveness in the U.S. market. Honda Motor is also working out a new production plan for V-6 cars in North America, and it seems that U.S. production by Japanese automakers centering on luxury car classes is accelerating.

Besides mass production of the company's exclusive models of the "Galant" and "Eclipse" at its U.S. Illinois base, Mitsubishi Motors will OEM [original equipment manufacture] supply the "Eclipse" to Chrysler, with whom it had a capital tie-up relationship until July 1993.

Beginning in October 1994, it will begin production of the "Avenger," a "Seiburingu" [as transliterated] sporty two-door model, as an exclusive Chrysler model, and carry the V-6 engine in some.

However, the "Galant," which is its mainstay car class, only has a straight 4-cylinder, 2400-cc displacement engine and, due to the high popularity of the V-6 engine with its high output and a strong luxury image in the U.S. market, Mitsubishi has decided to also introduce a 2500-cc displacement V-6 model beginning in 1995.

The idea is for more than 10 percent of the "Galants" produced in the U.S. plant to be the V-6 model.

The engines will be exported from Japan for the time being, but all the transmissions will be procured from Chrysler. Mitsubishi Motors and Chrysler have a business tie-up to supply each other with engines and transmissions, but the "Galant" transmissions, which are an exclusive model of Mitsubishi Motors, had been exported from Japan until now.

Besides the high yen at a level of less than 100 yen to the dollar level, Mitsubishi has decided to switch to local procurement from Chrysler with whom it has a deep relationship in order to raise cost competitiveness.

Among Japanese automakers, Honda Motor is proceeding with plans to carry a locally produced V-6 engine in the straight 4-cylinder "Accord," which is produced at its U.S. Ohio plant, and the move toward a V-6 emphasis in the U.S. market is strengthening.

Kono Hopes UN To Discuss DPRK Rights Issue

OW0408095094 Tokyo SANKEI SHIMBUN in Japanese 3 Aug 94 Morning Edition p 2

[Text] At a news conference after a cabinet meeting on 2 August, Foreign Minister Yohei Kono said "the United Nations will be the place" where Japan would take up issues concerning the human rights of North Koreans who lived in Japan but have returned home, their Japanese spouses, and the issue of repatriating abducted Japanese in North Korea, including Yi Un-hye.

His remarks indicated the government would work to resolve these issues through negotiation at the UN General Assembly and the UN Commission on Human Rights.

On the human rights issues, Kono made the following observations: 1) Lack of information (corroboration) from North Korea has caused suspicion and anxiety. Thus, it is important to obtain accurate information; and 2) there are no channels for negotiation (because Japanese-North Korean talks on resuming diplomatic relations have been suspended).

Kono noted, however, that the most urgent task was preventing the development by North Korea of nuclear weapons. He said: "Japan, the United States, South Korea, and China are making efforts to resolve the nuclear issue. These countries need to work in closer cooperation."

Ministry: Trade With DPRK Rapidly Shrinking

OW0308125594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Aug 94 Morning Edition p 3

[Text] Trade volume between Japan and the DPRK (North Korea) is declining drastically. Export volume from Japan in April and May dropped to almost a half of what it had been in the same months of last year. The volume of imports from the DPRK so far this year is about 10 to 20 percent less than last year. It is believed such a drop is the result of Japan's action to shift its trade to other countries due to the DPRK's alleged involvement in nuclear arms development, in addition to the DPRK's deteriorating economic situation.

According to a survey by the Ministry of Finance, the volume of exports to the DPRK in the January-May 1994 period was 6.49 billion yen [Y], falling by 30.2 percent compared to the previous year. Import volume was Y9.29 billion, also dropping by 12.2 percent compared to the same period in 1993. Compared to figures in the corresponding period last year, exports marked four consecutive months of decline in May, and imports registered a decrease for the 14th consecutive month. Among exports from Japan, textile and car exports dropped in particular. As far as imports from the DPRK are concerned, men's garments, which had increased in volume for a time in the past, rapidly declined.

The main reason for sluggish Japan-DPRK trade is the deteriorating economic situation in the DPRK. The DPRK's GNP has been declining since 1990. According to the Bank of Korea's estimates, its GNP in 1993 dropped by 4.1 percent compared to that of the previous year. Japanese trading firms are hesitant to do business with the DPRK because of its foreign debts now reach $10 billion and this is aggravated by liquidity problems. An official of the Japan External Trade Organization said: "Exports of mineral products are dropping due to lower productivity of smokeless coal and zinc. This may also be one of the reasons for the decrease in GNP."

Many people think there is a slim chance the international situation and the DPRK's economic situation could improve at an early date. Japan-DPRK trade, however, is likely to remain sluggish for the time being.

Tokyo To Help Asian Nations on Patent System

OW0408132294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Aug 94 Morning Edition p 5

[Text] With overseas development assistance (ODA) funds, the government plans to help Asian countries improve their system of screening applications for industrial property rights such as patent rights. As a first step, it will provide Thailand with computer software for screening patent applications, and conduct training to nurture patent inspectors. The government will also give assistance to other members of the Association of Southeast Asian Nations (ASEAN) as well as to China. This aid program is aimed at facilitating transfer of technology by foreign firms to the region, which is possible if screening of applications for industrial property rights becomes smooth in those countries. It is also aimed at creating favorable circumstances for Japanese firms to make inroads into the region.

Industrial property rights are a kind of intellectual property rights. They include patent rights to protect inventions, design rights to protect original designs, and trademark rights to allow a company to monopolize its trademark. These rights promote invention and discovery, thus important to expand industries.

Because of rapid industrialization, the number of applications for patents and trademarks are increasing in ASEAN countries and China. To cope with this trend, these countries have promoted legal preparations. However, improvements need to be made on their screening system in terms of personnel and mechanization. For example, the number of government officials in charge of examining patent applications is about 100 in many of these countries. That is less than 5 percent of the figure in Japan. Some people point out: "It takes a long time for them to approve patent rights. Their legal system is not functioning well."

Japanese and other foreign firms are said to be reluctant to make inroads into these countries because of fear that "our patents might not be fully protected."

The aid program for Thailand will be carried out by the Foreign Ministry, the International Trade and Industry Ministry, and the Patent Office over five years starting in fiscal year 1995. Appropriation for the program will be 500 million yen. The government plans to send about 20 patent specialists to Thailand and to accept from the country trainees to become patent inspectors.

In addition to assisting in mechanizing and speeding up screening procedures, the government will provide host computers, terminal computers, and computer software.

If asked, the government will also carry out similar aid programs for Malaysia, Indonesia, and the Philippines. It plans to urgently study aid programs for them.

Reports on Government's Assistance to Rwanda

Medical Team Sent To Help

OW0408082494 Tokyo KYODO in English 0752 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Japan will dispatch a medical team to Tanzania or Zaire later this month to assist Rwandan refugees stranded in camps there, government officials said Thursday [4 Aug].

The team will comprise at least 10 members including doctors, nurses and logistics staff from nongovernmental organizations (NGOs) as well as ranking Foreign Ministry staff, the officials said.

The government is studying whether to recruit doctors from NGOs, which are already running relief programs on the borders of Rwanda.

The group will be dispatched on the basis of the peacekeeping cooperation law as part of Japan's contribution to UN peacekeeping operations for Rwanda's neighboring countries, the officials said.

It will be the first time since the law was adopted in June 1992 that its article on humanitarian international relief activities is being applied.

The government views such humanitarian aid as legally possible since the team will not be sent to Rwanda, which is amid a bloody ethnic war. The peackeeping law stipulates that a host country must reach a stable armistice before Japanese peacekeepers or volunteers join a mission.

Japan will also contribute relief goods such as medicine, food, water containers and tents. The goods will likely be flown by charter aircraft to Entebbe, Uganda, where they will be handed over to the local bureau of the UN High Commissioner for Refugees (UNHCR) for transport to the refugee camps.

With other western nations having unfolded large-scale relief actions in the camps, the government hopes to dispatch the medical team as soon as possible after a government fact-finding mission from Rwanda returns Aug. 10.

The team's scope of activity and final destination will be arranged after consultations with the UNHCR and other nations involved in relief, the officials said.

Tokyo announced last week it will extend 32.3 million dollars in financial aid to Rwanda to assist the refugees, in addition to the 9 million dollars it decided to grant in June in emergency humanitarian assistance.

More than 1 million refugees, mostly from the Hutu ethnic group, are crammed into squalid camps near Goma, Zaire, just across the border from Rwanda.

They fled their homes fearing reprisals from the Rwanda Patriotic Front, led by rebels from the Tutsi ethnic group, which last week defeated government groups.

A growing number of the refugees have been killed by cholera, drawing international requests for humanitarian aid.

Civilians May Go To Help Refugees

OW0308124894 Tokyo KYODO in English 1235 GMT 3 Aug 94

[Text] Tokyo, Aug. 3 KYODO—The Japanese Government is considering sending a corps of civilians to the countries around Rwanda to help refugees from the war-torn African country, a top Foreign Ministry official said Wednesday.

"We could send volunteer doctors and other civilians as government officials" to give humanitarian aid to the Rwandan refugees, said the ministry official, who requested anonymity.

His remarks underscored the government's judgment that dispatch of a medical team as part of Japan's contribution to UN peacekeeping operations to the surrounding countries is legally permissible.

But the official was skeptical about sending Self-Defense Forces personnel.

Editorial Views Slow Actions

OW0408120994 Tokyo ASAHI SHIMBUN in Japanese 3 Aug 94 Morning Edition p 5

[Editorial: "What Is Making 'Dispatch of Personnel' Difficult?"]

[Text] Many people would think irritably about Japan's position "willing to provide money, but not people." We are talking in reference to aid to Rwandan refugees gnawed by famine and cholera epidemics.

The government has provided funds for the UN Refugees High Commissioner's Office and has paid subsidies to the nongovernmental organizations (NGO) at home and abroad, but is simply unable to decide on sending its own medical team. It is now only in the stage of sending a survey mission to study specific possibilities on providing assistance.

It is regrettable to see Japan, which is the world's largest aid provider, still standing idle, unable to decide on sending doctors and nurses to aid the Rwandan refugees now in disaster. It is more regrettable when we realize that the present government is a Murayama-led one that has asserted Japan should make "nonmilitary contributions" in carrying out its roles in the international community.

The epidemic conditions there are so urgent that there is no time to wait. Hence, we do not expect the sending of people for a survey now will serve any purpose. What we need to do is some soul-searching, and learn a lesson here. We will have to install a system whereby we can take prompt action when a similar situation develops in the future.

Before everything else, what the government must do is to consider revising the relevant law without delay so that Japan can send its international emergency aid forces [IEAF] abroad—just as it can in case of natural disasters—when a civil war or ethnic conflicts results in such a condition as that has developed in Rwanda.

At present, the IEAF can be sent abroad only when there are serious disasters, like major earthquakes and floods, to rescue lives, provide medical treatment to people, and reconstruct damage-ravaged areas. In the past, relief for refugees used to be part of the activities that the IEAF could undertake, and medical teams were sent to Iran to help Kurdish refugees, for instance.

But when the relevant law was revised the year before last to enable the Self-Defense Forces [SDF] troops to take part as aid personnel as a way of boosting Japan's activities for international contributions, the revised law made it impossible for the government to provide relief to refugees created by conflicts. That revision of the law has become the major obstacle to Japan's ability to provide personnel to aid the Rwandan refugees.

Certainly, there is a problem in sending SDF troops to areas where a war is going on. That can cause misunderstanding in the involved areas, and there is also the risk of the troops getting drawn into the conflicts. But, still, if we cannot send medical teams to help refugees because of this, it is tantamount to putting the cart before the horse.

We must recall that the government thought at the time of the law's revision that rather than activating disaster reconstruction forces as an independent organization, it should use the SDF as relief troops, and must note that there was a problem in that thinking.

The government's position is that it should act under the provisions on "humanitarian international relief activities" in the UN Peacekeeping Operations (PKO) Law as far as the refugee matter is concerned. Yet the present situation [of Rwanda] does not meet the five conditions for Japan participating in the PKO since there is "no ceasefire agreement at the site." As such, there is a problem in sending the medical team as much as there is in sending the IEAF.

This means that the ban on sending the SDF troops overseas has become an impediment to providing aid to the refugees.

The government, which was so concerned about sending the SDF to participate in PKO in Cambodia, brought on itself the consequence of disabling it from extending personnel assistance [to other countries]. If providing humanitarian aid without using the SDF had been made possible, the government should have been able act faster, without causing alarm on the part of aid recipient countries.

But the fact of the matter is that even if the difficult issues of the law were resolved, it would be doubtful if the dispatch of personnel could be done effectively. There are now about 500 doctors and nurses of the public and private sectors registered with the IEAF medical team, but there are not enough individuals to work on rotation at hospitals at its sites. Under such conditions, it is difficult to send the personnel even when a request for them arrives. Public hospitals should have enough personnel in their organizations so that some personnel can be sent on such missions at any time.

There are enough medical equipment and supplies in reserve. But means to transport them have not been procured. The issues of food supplies, clothing, and other accommodation facilities for the dispatched personnel at the sites as well as security measures have not been arranged either. Unless the logistic support system is built up, these personnel cannot serve any purpose even when they get there.

We need to have an organization with equipment and mobility that can extend a helping hand to misfortunes in any places of the globe, regardless of whether the disaster has been caused by nature or by humans.

Komeito's Ichikawa on Forming New Party

OW0308123994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 94 Morning Edition p 2

[Interview with Yuichi Ichikawa, secretary general of Komeito, by unidentified NIHON KEIZAI SHIMBUN reporter; date, place not given]

[Text] [NIHON KEIZAI SHIMBUN] How do you evaluate the Murayama administration?

[Ichikawa] I do not yet understand what the Murayama administration aims to do. It was established by the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger Party] without advance consultation about priority political tasks. I cannot understand what they plan to do.

Murayama Administration's Precarious Political Methods

[NIHON KEIZAI SHIMBUN] What do you think of Prime Minister Tomiichi Murayama's decision to shift the SDPJ's policy?

[Ichikawa] I think it is dangerous that, just because he has become prime minister, Mr. Murayama is shifting party policy without going through consultation within the party . I cannot see at all his pain, perplexities, and sufferings over such a critical party decision. I will be paying close attention to discussions at the SDPJ's party convention on 3 September.

[NIHON KEIZAI SHIMBUN] On the issue of political reform, opinion in favor of postponing the enforcement of the new electoral system has surfaced from time to time within the ruling coalition parties. What do you think of that?

[Ichikawa] There are people in both the LDP and the SDPJ who favor postponement. However, postponement would be suicidal to the Murayama administration. It is difficult to formulate a law on political parties in view of the freedom of assembly guaranteed by the constitution. However, if the present administration does not achieve political reform for this reason, it cannot help but be criticized for killing political reform.

[NIHON KEIZAI SHIMBUN] What do you think of the ruling coalition parties' stance on tax reform?

[Ichikawa] I think the Murayama administration will probably implement only the policy that is popular (continued tax reduction), and postpone implementing the unpopular policy (raising consumption tax). Such an attitude will create serious problems for the Murayama administration. For example, by postponing repayment of debts, local government finances will deteriorate. I think it will be a "cabinet of stagnation in foreign affairs, and procrastination in domestic policy."

[NIHON KEIZAI SHIMBUN] What is the schedule of the opposition parties for establishing the new-new party [shin shinto]?

[Ichikawa] I think it will be good to establish a preparatory committee for the new party immediately after the recommendation on the redistricting bill for the new electoral system is submitted in early August. Unless we start preparing for the new-new party, the unity of the reform promotion council (of the nine opposition parties) will weaken. It would be better to set up the new-new party by the end of September. It is not a easy job, though, to decide official candidates for 300 single-seat constituencies. It will require some time to establish their reputation as unified candidates of the new-new party in their constituencies.

General Election at an Early Date

[NIHON KEIZAI SHIMBUN] Who do you think would be suitable to lead the new-new party?

[Ichikawa] That is a matter to be decided through discussion among all parties concerned. Actually, I have an idea but it is a little early to name a candidate.

[NIHON KEIZAI SHIMBUN] How will you deal with Komeito's local bodies after the establishment of the new-new party?

[Ichikawa] The first step will be for Komeito to disband at the national level with the participation of its members of the House of Representatives and the House of Councillors in the new-new party. Relating the new-new party with local assembly members and local chapters of Komeito will be a second stage task. This is the most practical choice.

[NIHON KEIZAI SHIMBUN] When do you think the next general election will be held?

[Ichikawa] I think the people feel an election should be conducted at the earliest date possible after the completion of the Political Reform Law to seek their mandate under the new electoral system. It would be best to decide the composition of the new Diet under the new electoral system as soon as possible.

The LDP Is Incompatible With The SDPJ

[NIHON KEIZAI SHIMBUN] Are the present blocks of ruling and opposition parties a transitional phenomenon in the process of political party realignment?

[Ichikawa] Such combinations are passing ones during the process, and not permanent ones. I think there is sufficient possibility still for change. The LDP is so incompatible with the SDPJ that it would not be easy for them to become one party.

[NIHON KEIZAI SHIMBUN] Shinseito [Japan Renewal party] Secretary General Ichiro Ozawa and you have been criticized for your political style known as the "Ichi-Ichi line." How do you react to that?

[Ichikawa] This is a fictitious image drawn up by the LDP and retained unnecessarily by the mass media. It is totally different from reality. In other words, it is the difference between men who make decisions and those who postpone their decisions.

Ozawa Asked To 'Keep Quiet' Over New Party

OW0308142294 Tokyo KYODO in English 1311 GMT 3 Aug 94

[Text] Tokyo, Aug. 3 KYODO—Leaders of reform-oriented Shinseito (Japan Renewal Party) will ask its vocal strategist, Ichiro Ozawa, to keep quiet for a while to avoid jeopardizing its plan to create a new grand party, party officials said Wednesday.

Ozawa, the party's outspoken coleader, raised outcrys from the ruling coalition with his remarks during his visit last week to the United States, where he said he plans to create a superparty comprising nine noncommunist opposition groups in September.

He also questioned Prime Minister Tomiichi Murayama's competence in handling the North Korean nuclear issue and predicted his government will be short-lived.

"Mr. Ozawa's remarks are too stimulative and tend to draw negative reactions from other parties," Akira Fukita, former home affairs minister, told a Wednesday meeting of party executives.

"Since it is a critical moment for our plan to create a new party, it would be better to ask him to keep quiet to allow young party members to carry out the plan," he said.

Other party members at the meeting raised no objections to Fukita's proposal, according to the officials.

Kozo Watanabe, former international trade and industry minister, will convey the message to Ozawa, they said.

"It is by no means a criticism against Ozawa. We just decided it would be strategically wise for him to keep quiet," Watanabe said.

Shinseito, headed by Murayama's predecessor Tsutomu Hata, was a leading force in two reformist coalition governments prior to the birth of the socialist prime minister's administration a month ago.

Opposition Leaders To Discuss Party Merger

OW0408073294 Tokyo KYODO in English 0619 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Heads of the opposition forces will meet Friday [5 Aug] in Tokyo to discuss a possible merger of nine noncommuist opposition parties and groups to form a new party, political sources said Thursday.

Former Prime Minister Toshiki Kaifu unveiled the plan at a meeting of Koshi Kai, a parliamentary group formed by Kaifu in the House of Representatives, they said.

Five people—Kaifu, other two former prime ministers, Tsutomu Hata and Morihiro Hosokawa, plus Koshiro Ishida, chairman of Komeito, and Takashi Yonezawa, chairman of the Democratic Socialist Party—will participate in the gathering, they said.

Kaifu said discussion will center around coming to a common basic idea on policy and organization toward formation of a new parliamentary group or new party, the sources said.

Hata, who served as prime minister between April and June this year, is head of Shinseito [Japan Renewal Party], and Hosokawa, who was premier between August 1993 and April this year, leads the Japan New Party.

In late June, Kaifu, who was premier from the Liberal Democratic Party (LDP) between 1989 and 1991, quit the LDP and ran in a prime ministerial election at the Diet, but lost to Tomiichi Murayama, chairman of the Social Democratic Party [of Japan], who leads the current coalition government.

In the election, the LDP ordered party members to vote for Murayama and became a major component in the Murayama government.

* Editorial Urges Genuine Political Realignment

942B0111A Tokyo ASAHI SHIMBUN in Japanese 3 Jun 94 p 5

[Editorial: "Dissolve the 'Kaishin' and Establish Straightforward Political Realignment"]

[Text] Keigo Ouchi, chairman of Democratic Socialist Party (DSP), has decided to resign, taking responsibility for the confusion within his party and in the coalition party, of the establishment of the new faction called "kaishin [Renovation]." It is only proper that he should do this.

His official reason for not running for the chairman's post during the party's meeting scheduled to begin on 7 June 1994, is that it is difficult for him to concurrently serve as a cabinet minister and as a party head. In reality, it is obvious that Mr. Ouchi was forced to resign by those in the party and the supporting labor unions, who reacted against his secret scheme. His scheme was to establish a major faction aimed at the Shin Shinto [New New Party], which caused the Social Democratic Party of Japan [SDPJ] to breakaway from the coalition. The criticism from Yuaikai [a pro-DSP labor union within Rengo (National Confederation of Trade Unions)] and from his party was more severe than expected. This was because of the fear that the feud between the SDPJ and the DSP might reflect in the labor unions' organization, and the strong resistance against the way Mr. Ouchi managed the party. However, everyone who was involved in the establishment of "Kaishin" should reconsider why they were met with such strong resistance.

It is clear that Morihiro Hosokawa, prime minister at the time and the head of Japan New Party, and Ichiro Ozawa, secretary general of Shinseito, were deeply involved in the establishment of "Kaishin." There had been many attempts to establish a major faction prior to "Kaishin." Both gentlemen repeatedly explained that "it is clear that the coalition cannot fight the next election unless it is unified."

Their motive is reasonable, and we are also in favor of the promotion of political reform. However, they should reflect on the fact that even the public was against the fact it was kept secret from the main party of the coalition, and that they waited until the prime minister was appointed in the Diet to present them with already established facts. Reform, which is used to create a new government, should be straightforward, based on an ideology and policies.

Mr. Hosokawa, chairman of Japan New Party, who had remained silent since his resignation from the office of prime minister, expressed his belief at a party held by a Tokyo organization on 30 May [1994]. He was assaulted by a gunman on his way home from that party, and we express our sympathy. We also strongly condemn this type of crime. However, we have to admit that we were disappointed with what Mr. Hosokawa said at the party.

Mr. Hosokawa did not show any regrets for the establishment of "Kaishin," instead, he showed a bullish view that "the breakaway of the SDPJ is a process of adjustment of history." Also, concerning the sharp decline in the public support rate of his party, he turned it aside saying that he "urges the party members to be stirred up more." Mr. Hosokawa should have a more humble attitude in talking not only to his supporters but also to people who showed unprecedented support and expectation for him.

Mr. Hosokawa's forcing the establishment of "Kaishin" brought a wave of criticism even within Japan New Party. The two incidents, whereby seven members of the House of Representatives seceded from the party, prove the severity of that criticism. In this process, Mr. Hosokawa once left the discussion of the decision for him to resign or continue to the Diet members. However, wasn't he trying to avoid taking responsibility as a politician?

Mr. Ichiro Ozawa does not explain the circumstances and the aim of the establishment of "Kaishin" to the people or to his party either. Instead, what he brings out at every press conference is a misdirected complaint against the mass media. It is important for him to change his bullish attitude and to show, not only his party and supporters but also the public, the purpose and the reason for "Kaishin" and to gain their understanding and agreement.

The DSP was the first to come up with an answer for the responsibility issue among "Kaishin" promoters. However, replacing the chairman does not solve all the problems. The party itself is facing a crisis, and some within the party and in supporting organizations are concerned that Takashi Yonezawa, chief secretary, who is a strong candidate for the new chairman, might be "too close to the Shinsei-Komei line."

From the next conference we would like to see a detailed discussion concerning DSP's party ideology and the principles with which they will work on the future political reform.

Murayama Vows Relief Efforts for A-Bomb Victims

OW0308145694 Tokyo KYODO in English 1438 GMT 3 Aug 94

[Text] Tokyo, Aug. 3 KYODO—Prime Minister Tomiichi Murayama and socialist members of his cabinet agreed Wednesday to make efforts for special legislation aimed at providing financial relief for people suffering from the aftereffects of the 1945 atomic bombings and for the bereaved families of those killed.

The accord was reached at a meeting prior to Murayama's scheduled visits to the A-bombed cities of Hiroshima and Nagasaki on the 49th anniversary of the world's first nuclear attacks, officials of his Social Democratic Party [of Japan] (SDP) [SDPJ] said.

But the move toward a special relief law is likely to invite a sharp reaction from the SDPJ's key coalition partner, the Liberal Democratic Party (LDP), which opposes it on grounds that it would be discriminatory against other war victims and their families who have not been compensated for their sufferings and material losses.

Attending the meeting were all five SDPJ cabinet members, including Chief Government Spokesman Kozo Igarashi, Posts and Telecommunications Minister Shun Oide, and Construction Minister Koken Nosaka.

Discussion on Copyrights for Multimedia Age Begin

OW0408100294 Tokyo KYODO in English 0934 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—The Agency for Cultural Affairs on Thursday established a panel to discuss copyright protection for the multimedia age.

A subcommittee comprising 21 experts was set up under the agency's Copyright Council to discuss a wide range of issues concerning copyright protection, agency officials said.

The move is aimed at preparing for the drastic changes expected in the way music, books, and other copyrighted products are used due to the development of multimedia.

The current law that regulates copyright protection has not been amended since its enactment in 1939, and critics are calling for its revision.

The newly established panel plans to make recommendations in one and a half to two years, the officials said.

* Low Status of SDF Criticized

942B0125A Tokyo SEIRON in Japanese Jun 94 pp 133-137

[Article by Isao Kakiya, former professor, National Defense Academy: "A Military Without 'Honor'"]

[Text] The status and honor of self-defense officials in this country are not as well established as those of foreign military personnel.

The reason is that most people have not been interested in national defense because military affairs had been treated lightly in such fields as politics, education, etc., in the postwar period.

Our country, however, which is seeking a permanent seat on the UN Security Council and being asked to contribute militarily, too, in the future, can no longer ignore the status and honor of self-defense officials.

"Servitude" Under the Constitution

The status of military personnel in foreign countries is clearly defined in their constitutions. To take the example of a neighboring country, the ROK Constitution states, "The appointments of the public prosecutor general, chairman of the Joint Chiefs of Staff and chiefs of staff of the respective services are subject to review by the State Council (chaired by the president)," so the military is given a high position.

Also, concerning military service, "to serve in the military is a glorious duty of the people," in the PRC; "to serve in the military is an honorable duty of the Soviet citizen," in the former Soviet Union; "defense of the fatherland is the greatest duty, and an honor, of the people," in North Korea; and "disadvantageous treatment will not be received because of military service," in the ROK; thus, military duty is considered a noble function.

In contrast, in our country, not only do the three words, "self-defense official," fail to appear in the Japanese Constitution, but to the contrary, the government's view is that military duty is servitude and conscription is unconstitutional since "it forces servitude against one's will." There is no other country, past or present, that treats the military (self-defense officials), who risk their lives to protect the nation and the people, as persons in servitude. It is unconstitutional for the country to impose compulsory terms of service on National Defense Academy graduates while leaving the status of self-defense officers on such a low level.

Legally, "Not Attested"

The topmost government officials in Japan are the prime minister and the chief justice of the Supreme Court who are officially appointed by the emperor.

Next in order are officials whose appointments require the emperor's attestation and they include: under the Constitution, state ministers; and, under the law, Supreme Court justices, presiding judge of the High Court, public prosecutor general and deputy prosecutor general of the Supreme Public Prosecutor's Office, prosecutor general of the High Public Prosecutor's Office, director general and grand chamberlain of the Imperial Household Agency, auditors of the Board of Audit, personnel officers of the National Personnel Authority, chairman of the Fair Trade Commission, et al.

Under the old Imperial Japan Constitution, officials such as the prime minister, state ministers, president and vice president of the Privy Council, Privy Council counselors, lord keeper of the privy seal, imperial household minister, ambassadors plenipotentiary, Army generals and Navy admirals, head of the highest tribunal (presently, Supreme Court chief justice), prosecutor generalm and Board of Audit president had been *shinnin* [personal imperial appointment] rank officials (officials appointed through imperial ordinances were classified as *chokunin* officials and, among them, *shinnin* was the highest rank).

Of the positions which remained after promulgation of the present Japanese Constitution, only the prime minister and Supreme Court chief justice, as heads of their respective government branches, retained the *shinnin* rank while others generally became appointments attested by the emperor. Accordingly, with the establishment of the Self-Defense Forces [SDF], the chairman of the Joint Staff Council and chiefs of staff of the Ground, Maritime and Air Self-Defense Forces—the SDF commanding officers—should have become appointees attested by the emperor. However, they are being ignored because self-defense officials are held in low esteem.

In foreign countries, the chairman of the Joint Chiefs of Staff and chiefs of staff of the Army, Navy, and Air Force, who are comparable to our country's Joint Staff Council chairman and chiefs of staff of the respective self-defense forces, are equal in rank to ministers and generally acknowledged as equivalent to our country's imperially attested officials.

"Noncareer" Status as Government Officials

Government officials are appointed according to the classification of upper rank (career), middle rank, or novice rank.

Mainly those in the upper rank and a few from the middle rank whose performance evaluations are excellent are appointed to certain high-ranking government posts called "designated positions," such as administrative vice minister, bureau chief, and councilor.

However, in the recruitment of self-defense officials, there is no classification of upper, middle, or novice ranks. For this reason, all of the self-defense officials are treated as middle rank or below (noncareer).

There are designated positions in the SDF too, such as Joint Staff Council chairman and chiefs of staff of the respective forces, and these are positions that can be filled from the middle rank.

Actually, career bureaucrats are not bound by the personal authority of the minister and are promised positions suitable to their real ability upon entry into the ministry so they can make bold statements (perform decisively) in a positive way.

In contrast, since self-defense officials are treated as noncareer personnel, their promotions are affected by the evaluations of, not the minister, but bureaucratic officials (internal bureaus), even if they are truly capable. In the former Army, graduates of the Military Staff College (attended by selected young officers) were ensured at least the rank of major general (bureau chief rank). At present, there is no such guarantee even if one graduates from the top-level academy comparable to the Military Staff College.

"On the Lee Side of Civilian Officials" in Defense Agency

Over 90 percent of the Defense Agency personnel are self-defense officials. All of the SDF's operational missions, including defense actions, public security cooperation, disaster relief operations, and peacekeeping operations, are the responsibility of self-defense officials. The Defense Agency cannot function without self-defense officials. However, even within the Defense Agency, self-defense officers are slighted in their treatment.

To begin with, the agency includes the Director General's Secretariat and the five bureaus of Defense Policy, Education and Training, Personnel, Finance, and Equipment; and the positions of secretariat director and bureau chiefs are to be assumed by officials with the rank of "councilor." Since it has not been specified that only bureacrats can become councilors, there is no problem, regulation-wise, if a self-defense officer becomes one. However, up until now, no self-defense officer has ever become a councilor. Those who occupy these positions are all bureaucrats.

At the councilors' conference held at the Defense Agency, the Joint Staff Council (similar to the Joint Chiefs of Staff organization in foreign countries) and the staff offices of the respective forces (similar to general staff offices) are represented by the Joint Staff Council chairman and chiefs of staff, the commanding officers, who participate as "observers." The chiefs of staff, who rank as generals, are treated as officers below the rank of bureau chiefs, who are comparable only to major generals.

Next, as component organs, there are the Joint Staff Council, Ground Staff Office, Maritime Staff Office, Air Staff Office, National Defense Academy, National Defense Medical College, Defense Facilities Administration Agency, Technical Research and Development Institute, Central Procurement Office, and National Defense College. Except for the chiefs of the Joint Staff Council and Ground, Maritime, and Air Staff Offices, which should naturally be headed by self-defense officers, the heads of the other organs are all civilian officials, including the National Defense Academy, which "educates and trains personnel to become senior self-defense officers," as well as the National Defense Medical College.

Thus, self-defense officials have been placed on the "leeward side" of civilian officials in the Defense Agency.

"Majority Cannot Receive" Decorations

The country awards decorations to those who have performed meritorious service for the nation and people. In every country, military personnel whose lives are at stake in the performance of their duties have been considered the most deserving persons and, regardless of wartime or peacetime, the military has been awarded high-ranking decorations.

However, in our country, awardees of the First Class Order of the Rising Sun, and above, are political and financial leaders, Supreme Court chief justice and judges, famous scholars, and U.S. general officers; and of the First Class Order of the Sacred Treasure, imperially-attested officials like the High Court president, the public prosecutor general and prosecutors general, as well as securities company chairmen, administrative vice ministers, the director general of the National Police Agency, and the superintendlent general of the Tokyo Metropolitan Police Department.

In contrast, the Joint Staff Council chairman, who is the highest-ranking self-defense officer, is awarded the second class order and that is for the lower-ranking decoration of Sacred Treasure. Except for certain medical corps officers, most of the officers of the top two field grades, the lowest-ranking field officers and company officers, warrant officers and below are not awarded decorations. Most of the self-defense officers retire with the rank of lieutenant colonel or commander or below, so the great majority of self-defense officers cannot receive decorations unless they die, even if they risk their lives to carry out their duties. Some active self-defense officers have decorations but all were received from foreign countries. In no other country will you find military personnel who can never receive decorations while alive or active military personnel who are wearing decorations only of foreign nations and not their own country.

Relations With Imperial Household Is "Unreasonable Detached"

In foreign countries, royal families are served by the military. In contrast, our country's government and Imperial Household Agency are trying to keep the SDF away from the Imperial Palace to an unnecessary degree. For this reason, actions which would be considered unimaginable in foreign countries are carried on here.

For example, the security of the royal palace (Imperial Palace) is handled by the military in foreign countries, but the police are responsible in our country. Also, at military reviews on armed forces commemoration days in foreign countries, the chief of state reviews the troops or is present, but in Japan, the emperor does not attend similar military reviews on the SDF's anniversary occasions.

Even stranger is the fact that, when a state guest visits Japan, the foreign guest inspects the SDF honor guard, but the emperor does not. However, when the emperor goes abroad, he receives the salute of and conducts a review of the honor guard of the country visited.

Thus, the status and honor of self-defense officials can be considered abnormal. The relation between civilian and self-defense officials is similar to that during the Heian era, when court nobles sat proudly near the emperor while the warriors prostrated themselves on the ground. Isn't it a selfish demand to ask self-defense officials to risk their lives to defend in emergency situations while ignoring them in ordinary times?

Recently, Defense Agency Director General Kazuo Aichi stated in his address to the National Defense Academy cadets, "As your leader, I am determined to carry on efforts to increase the honor of self-defense officials...." Naive academy students were probably impressed by this director general's statement.

In the past, not a few politicans made statements similar to Aichi's. However, since the establishment of the SDF, the status and honor of self-defense officials have not risen and, in fact, have declined in some respects. The reason is that politicans did not carry out their promises to self-defense officials. I wish to conclude this article in the belief that this time, in the reassessment of the National Defense Program Outline, politicans and the people will raise the national status of self-defense officials to the level of foreign military personnel.

[Boxed item: *Isao Kakiya: Military analyst; former professor, National Defense Academy; born in 1938 in Ishikawa Prefecture; graduated from the National Defense Academy (6th class) and completed master's course at Osaka University Graduate School; entered the Ground Self-Defense Force in 1962 and served as ordinance unit commander in the Western Army and professor at National Defense Academy; retired in 1993 (major general); author of* The Day the Self-Defense Force Becomes a Military Force *(published by Tentensha).*]

* Future Role of SDF Discussed

942B0123A Tokyo SEIRON in Japanese Jun 94 pp 128-132

[Article by Toshiyuki Shikata, professor, Teikyo University: "What Should We Expect of Our Country's Self-Defense Forces?"]

[Text] **What Are Five Elements of National Strength?**

What a nation expects of its military power changes with the times: An era when the monarch of a nation maintained military power to absolutely ensure his or her status. An era when a nation relied on military power to acquire colonies or scramble for them. An era when several nations relied on military power separately or jointly to survive the threat of neighboring countries or, on the contrary, to bring them under their influences. An era when a nation built up strong and huge military power to maintain power acquired by revolution and consolidate its system. An era when nations rising belatedly tried to rank among the world powers by pursuing a policy of building a rich country with a strong army. An era when colonies built up military power for independence and national liberation. These were also the eras when military power was at the center of national activities.

When exchanges among nations grew active with the progress of the times, it became unfavorable to accomplish the task of national security with military power of a single country alone. This led to the pursuit of collective military alliance. When things develop this way, politico-diplomatic power becomes as much an important element of national strength as military power. The ultimate form of this development was the Cold War era when the world was split into two opposing groups by the difference of ideology and military expansion policies were pursued throughout the world.

However, it was not necessarily politico-diplomatic power or military power alone that decided the victor in this cold war. The side that was inferior in the flexibility of its economic system and social structure as well as in its competence to collect information and propagate it via the air waves drove itself toward collapse. In the days ahead, an era is coming in which the leading role will be played not only by 1) "politico-diplomatic power" and 2) "military power," but also by soft power such as 3) "economic power," 4) "social structural power" (hereinafter referred to as social power, to be brief), and 5) "the competence to collect information and propagate it via the air waves (likewise, referred to as information power). This means that military power has changed from the central force of a nation into merely one of the five elements.

Moreover, in the future, software such as economy, technology, information, and values will form a borderless realm where national boundaries are easily crossable, and the military and politico-diplomatic fields will be subject to the influence of this realm from now, contrary to the past. In addition, nations sharing similar values begin to see the prospects of forming a group to carry out regional economic, technological, and information exchanges and further expanding the group into a forum of politico-diplomatic dialogue among nations and into a security framework.

What Values Does Our Country Seek?

What is a nation aiming at? Putting this question in another way, we may ask: What values or what national objectives does a country have? In the era of the cold war, one's enemy or friend was crystal clear, and so, in thinking of national interests, a country could do well by merely applying the zero-sum game formula—"The gain of the friend is the loss of the enemy."

National interests have become complicated with the beginning of the post-cold war era. Therefore, when something happens, we are now compelled to give thorough and deep thought to what our real national interests are, asking ourselves whether it is in our national interests to carry out "economic sanctions" or to extend "economic assistance" or to "do nothing." This will be easily understood when we see the response of each country to the suspected nuclear development by North Korea (the Democratic People's Republic of Korea).

In this context, when a country fails to clarify what it is fundamentally thinking, those around it will be caused to feel misgivings, and suspicions will begin to gnaw at them. In a reverse case, when a country's values are clear, the country and the others can mutually tolerate a little discrepancy in views and actions or a little losses and gains. Accordingly, it is necessary for each country to accurately propagate its values via the air waves to international society. From this, too, we will see that "information power" has now become a major element of a nation's strength. We hear conjecture and concern raised overseas that "Japan may carry out nuclear armament" if North Korea does, and this proves that Japan has extremely poor "information-propagating power."

A nation's values are naturally mentioned in its constitution. Values generally common among advanced democracies are "liberty," "justice," "prosperity," and "existence." "Peace," too, is shown as one of the national purposes in the constitution of our country.

I have not enough space here to discuss whether peace is a "purpose" or a "condition" necessary to achieve a purpose.

However, there is a line of thinking that even if a people is forced to live under another nation's tyranny and slavery and oppression and intolerance, as long as the people is assured of existence without being subjected to war, the people should be taken as living in a state of peace and such a peace is a value deserving to be sought as an objective. Another thought that every war is an evil is called pacifism, which represents a powerful view. On the other hand, however, some think that there are values in this world that should be guarded even at the cost of life. It is the people's choice which stand should be adopted.

Which will the people of our country adopt? Let us look at the Constitution of Japan. The Preamble to the Constitution declares as follows in an elated tone: "We desire to occupy an honored place in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression and intolerance for all time from the earth. We, the Japanese people, pledge our national honor to accomplish these high ideals and purposes with all our resources."

What Is Our Country's National Strategy?

After a country chooses goals to pursue, it enters the next stage at which it sets national interests to be promoted in order to achieve the goals. As is seen in the above, values sought by many countries are largely held in common among them; likewise, they also have generally common national interests. Among those national interests are "economic prosperity," "security," and "the establishment of international morality."

However, large differences appear among countries when it comes to the question of "how to combine" the five elements of power that a nation has in order to pursue its national interests. This means that the final objectives (values) are the same, but the paths (national strategy) to them differ by nation. Some countries like the old Soviet Union and the present Iraq and North Korea extremely rely on military power, while others like the former Japan are extremely dependent on economic power.

Like the present China, some countries first seek after economic power and military power rather than the consolidation of the social structure involving the question of human rights and environmental preservation. Some countries, because they have neither great military power nor great economic power, intend to display politico-diplomatic power to the utmost, like Norway which some time ago succeeded in mediating peace negotiations between the PLO and Israel. On the whole, in considering national interests, many countries appear to be combining these five elements in a well-balanced manner.

These "ways of combining the five elements of a country's strength and the principles on which to exercise the elements" are conceptualized as national strategy. As to what national strategy our country should adopt in the future, the government should offer possible options and the people should make a choice on their own after taking into consideration the position in which our country is placed.

There are some documents, though limited in number, on our national strategy, but Japan's national strategy can be grasped in broad outline by looking at the structure of its national budget. The investment in "social power," with social security-related expenses and education/science promotion costs added together, which makes the social structure flexible and stable, accounts for 26.2 percent of the budget. The investment in "defense power" accounts for 6.4 percent. When defense-related expenses are compared internationally, the per capita cost stands at $395 in Britain, $317 in France, $214 in Germany, and $132 in Japan. Other statistical data reveal that, in Japan's national strategy, efforts are distributed to economic power, social power, politico-diplomatic power, defense power, and information power in the order of the size of efforts.

What Does Our Country Expect of Defense Power?

1. The Role of Contributing to the Creation of Reliability

The security strategy, a pillar of our country's national strategy, is also called the overall security strategy. The first stage begins with creating an understanding of and a sense of trust in Japan by using soft power such as "social power" and "information power" and by propagating Japan's values via the air waves to the international society. At this stage, little is expected of the Self-Defense Forces [SDF]. What can be considered at this stage is the "role of contributing to the creation of reliability" for enhancing the transparency of Japan's defense power through personnel exchanges with military forces of neighboring countries, mutual goodwill visits by naval ships, and the convocation of international meetings on security. If a framework for collective security is built in the future, new missions and roles may be expected of the SDF.

2. The Role of Contributing to the Maintenance and Promotion of Stability in the International Environment

In the next stage, by using its "economic power" and "politico-diplomatic power," Japan should make efforts not to create an international environment posing a threat to its security. It should work to maintain and promote a stable international environment by extending economic cooperation through united efforts between the government and the private sector, by furnishing the forums of dialogue, and by making contributions through the United Nations. A representative role expected of the SDF at this stage is to join in UN peacekeeping operations (PKO) and in the Japan Disaster Relief Team [JDR]. This is what is called the "role of contributing to the maintenance and promotion of stability in the international environment." This role does not expect the SDF to exercise armed force; rather, the role is showing its usefulness in expanding the national interest in terms of the establishment of international morality.

3. The Role of Coping With the Uncertainty of History

If Japan's security becomes firm and solid only through the creation of reliability, economic cooperation, the continuation of the dialogue, and international contributions, nothing can be better than that. However, during a long period of 20 years needed for a cycle of processes in improving defense power, it is possibie that the strategic environment surrounding Japan will change. In this regard, I would like to refer to the following things: at the time of the Great Cultural Revolution, nobody imagined today's China rushing toward a market economy. And about the time when Japan was bent on military exercises, setting its nerves on edge at the Soviet aircraft carrier Minsk's navigation into the Pacific, who would have imagined that U.S. and Russian forces would carry out joint military maneuvers 20 years later?

Such is the "uncertainty of history." The nation has the responsibility to let the people have a rosy dream about their future and the responsibility to show how it will cope as a nation if history changes its course and moves in an unexpected direction, thereby producing the worst situation. This is the very fundamental role the nation expects of the SDF.

[Boxed item: *Mr. Toshiyuki Shikata, military analyst and professor at Teikyo University: Born in 1936; Graduated from the National Defense Academy (the 2d class); Completed the doctor's course (in civil engineering) and received a doctorate of engineering at Kyoto University Graduate School; Successively served in the United States as military attache, at the 2d Division as commander, at the National Defense Academy as chief secretary, and at the Northern Army as commander; retired in March 1992.*]

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* Uniformed SDF Officer on 'Civilian Control'

942B0128A Tokyo SEIRON in Japanese Jun 94 pp 138-142

[Article by Tokihisa Nakao, former vice chief of staff, Ground Self-Defense Force: "So-Called 'Civilian Control' as Seen From the Uniformed Side"]

[Text] **1. Nuance of "Civilian Control"**

The following is a segment of the meeting on the Defense White Paper which took place in the defense administrative vice minister's office on a certain day of a certain month and year.

[Vice chief of staff, Ground Self-Defense Force (GSDF)] The statement about civilian control contains expressions which are partly inappropriate, so why not delete the entire text?

[Bureau chief A] The same statement has been carried for several years, so it could very well be omitted this year.

[Councillor C] If the statement that has been published until now is canceled, the opposition parties might complain in the Diet that civilian control is being neglected. What are the inappropriate parts?

[Vice chief of staff, GSDF] Uniformed personnel have expressed dissatisfaction about the expression, "civilian control." There is the nuance that civilians are controlling the military. If the expression, "political primacy," is used, the uniformed side will understand because they consider that proper. Why must only this term be written in katakana in the Defense White Paper? "Political primacy" should be written out in kanji even if only in the heading.

[Bureau chief A] If uniformed personnel are so dissatisfied, why not change the heading?

[Vice chief of staff, GSDF] There's another point. The internal bureau chiefs and subordinates, who are present here, are on the side that should be controlled as defense officials, but the nuance of the expression is that only the uniformed group is on the side that should be controlled. It should be clearly stated that both defense bureaucrats and uniformed officers, who are the defense experts, are under the control of politics.

[Bureau chief B] Chiefs of internal bureaus have dual roles. It is true that, as defense officials, bureau chiefs are on the controlled side, but as defense councillors, they assist the Defense Agency director general and occupy positions on the controlling side.

[Vice chief of staff, GSDF] If you going to mention that point (giving advice on military administration), unless it is stated clearly that the Joint Staff Council chairman and the chiefs of staff of the three services also advise the director general on military command matters, the statement would be one-sided.

[Administrative vice minister] On the basis of this discussion, councilor "C" will consider revision of the text.

[Vice chief of staff, GSDF] Self-defense officials are government employees and are civilians, as well, so although the term "civilian control" is used, aren't civilians actually controlling civilians? (laughter).

In the above exchange of views, how the uniformed side regards civilian control (I want to say "political primacy" but will use the general expression, "civilian control") is revealed pointedly.

The words, "civilian control," convey the sense that defense and the SDF would be bound hand and foot and various sanctions would be imposed. Not only in a linguistic sense, but as a matter of fact, that was true in the past. Recently, that tendency was evident in Diet deliberations on the International Peace Cooperation Law. Most of the mass media commented only about reducing SDF power and did not even touch on how the activities of the controlled side can be simplified or how they felt.

In Europe and the United States, together with the control to restrain the military, there is control to cover up functional deficiencies and make up shortages.

I cannot help but feel that, in our country, civilian control emerges as the "imperial standard" to curtail and diminish defense and SDF capabilities, but am I the only one to think so?

2. Civilian Control Is a Basic Principle

In this country, there is no other organization with as huge a power to inflict casualties and destroy as the SDF. To prevent the SDF which has this immense physical power from operating unrestrainedly and to effectively utilize the SDF so that politics can achieve political aims, the system of civilian control is extremely important. Democracies such as the United States and European nations have all established the civilian control system and enforce the policy of placing the military under political rule.

In our country, as the means to control the SDF, the prime minister and the Defense Agency director general, who are civilians, direct and supervise the SDF while the Diet, which represents the people, establishes laws on important matters related to the SDF. In this respect, to direct and supervise the SDF, it would be proper for civilians, who are amateurs in military matters, to listen carefully to the views of uniformed experts before enforcing policies, but for some reason, that is not done in our country.

The close relations among President Bush, Defense Secretary Cheney, and Joint Chiefs of Staff Chairman Powell during the Persian Gulf war can be said to be a model of effective implementation of civilian control. Watching TV, the then senior SDF officers must have been struck, not so much by the deep mutual trust among President Bush, Secretary Cheney, and General Powell, but by the sharp contrast with the situation in our country, and they probably felt very envious of the United States. At least, the Joint Staff Council chairman should be included as a member of our National Security Council. Also, the prime minister should receive briefings regularly, about once a month, on the military situation from the Joint Staff Council chairman.

Next, I wish to comment on the political neglect to establish emergency laws, as an example of deficient civilian control, and on the political insensitivity to the military which tied the hands and feet of the engineer battalion dispatched to Cambodia through supervision unsuited to the true character of the SDF.

3. Political Neglect

"The tiger leaves its skin upon death. Kurusu left emergency laws upon retirement." So goes a saying.

In 1978, Joint Staff Council Chairman Kurusu (at the time) stated that, "in the present Japanese situation, where emergency laws have not been established, the SDF must be called into action supralegally in emergencies," and was dismissed by the then Defense Agency Director General Kanemaru. However, triggered by that statement, research on emergency laws started.

Generally speaking, as laws needed in our country's emergencies, the following can be mentioned:

Laws pertaining to SDF operational movements.

Laws pertaining to U.S. Forces operational movements.

Laws that do not directly affect SDF and U.S. Forces operational movements but are needed to protect the people's lives, property, etc.

Also, the research subjects are divided into the following three categories:

Laws and regulations under the jurisdiction of the Defense Agency.

Laws and regulations under the jurisdiction of other ministries and agencies.

Laws and regulations concerning matters over which the ministry or agency having jurisdiction is uncertain.

Therefore, nine different sets of laws and regulations have to be prepared. Up until now, only "laws pertaining to SDF operational movements under the Defense Agency's jurisdiction" have been submitted in 1981 to the Diet committee concerned. With respect to "laws pertaining to SDF operational movements under the jurisdiction of other ministries and agencies," only the problem areas have been probed and the study is progressing very slowly. The other seven sets have been neglected without any work being done. Thus, attention should be called to the fact that emergency laws have not been established at all.

The SDF is an organization that was formed on the assumption that emergencies will arise so, naturally, its main operations will be conducted in emergency situations. Furthermore, it is uncertain when emergencies might arise suddenly.

On the other hand, one of the pillars of civilian control is to regulate SDF activities through laws and regulations which serve as the basis of operations. It is too late to formulate laws after an emergency has arisen. That is truly like "locking the barn door after the horse has been stolen." Also, if laws are to be formulated after the situation becomes tense, that would probably be too late because generally, the initial responses of democracies to emergencies are not swift.

Therefore, under present circumstances in Japan, there is a great possibility of confronting combat situations without emergency laws and if that happens, a decision would probably have to be made as to whether the SDF should be called into action supralegally.

If so, it means that politics has neglected an important duty concerning civilian control. All of the aforementioned nine sets of laws and regulations should be established as soon as possible so that the SDF can operate in an orderly way in accordance with laws and regulations no matter when emergencies arise, and the lives and property of the people can be protected even in emergencies.

Since it is not yet clear what types of laws would be enforced to handle emergencies, training for emergencies conducted now in peacetime are imaginary and hypothetical and it is difficult to conduct training simulating actual combat conditions. Although politics might be negligent, if the SDF, out of a strong sense of duty, proceeds to establish temporary emergency laws of its own for emergency training purposes, the mass media would probably rejoice over the chance to raise an uproar.

It is said that a major fault of the Japanese Constitution is the lack of a clause concerning emergencies. Probably, this fact is the reason why the study of emergency laws to be placed under the jurisdiction of other ministries and agencies is being delayed. If the Constitution contained a provision of even one sentence or a phrase concerning national emergencies, I feel certain that the efficient Japanese bureaucracy would respond and the different ministries and agencies would voluntarily draft emergency laws within the scope of their jurisdictions and fully support the politicians. Then, the politicians, too, would not have to continue neglecting the civilian control function of establishing emergency laws. From this standpoint, too, revision of the Constitution is necessary.

Fully adequate preparations should be made during peacetime for emergencies and that would be putting into practice the saying, "we must not forget war in peace."

4. Political Insensitivity to Military

After various discussions and compromises in the Diet and with much difficulty, the International Peace Cooperation Law was finally established. As is well known, based on that law, an engineer battalion engaged in peacekeeping operations in Cambodia and achieved outstanding results. With respect to the command and control mechanism imposed on the SDF by the government during this period, the following two problematical points can be pointed out from the standpoint of the uniformed side:

The first point is that the command channel to an armed unit should be centralized into one, as a basic principle, but the battalion commander was under the dual command of the UNTAC [UN Transitional Authority in Cambodia] commander and the chief of International

Peacekeeping Cooperation Headquarters (prime minister). Also, to armed units, the objectives to be attained should be spelled out clearly as the unit's mission and leeway for independent discretion should be allowed in the execution but instructions were issued even on detailed matters. I have heard that the greater part of the battalion commander's daily functions was not providing field supervision but listening to instructions from Tokyo over the phone. Doesn't this appear to be a command system intended for voluntary organizations?

The second point is entrusting the use of weapons to the judgment of each unit member. This is the police method and, in an armed unit, the basic rule is to use weapons in accordance with the judgment and order of the commanding officer.

The above problematical points are matters that would not have occurred if the fact that the "true character of the SDF is military" had been kept in mind but that consideration is lacking. Since it is being demanded that the missions and activities be comparable to those of other countries' military forces, civilian control should be exercised not in accordance with statutes governing voluntary organizations and the police but in a manner which will uphold the military system under which the SDF is undergoing education and training daily.

[Boxed item: *Tokihisa Nakao: Former commanding general of the Middle Army, GSDF; born in 1935; graduated from National Defense Academy (1st class); retired after serving as Defense Planning Division chief, Logistics Department chief, and ground deputy chief of staff; presently managing director of Nippon Koki Co. and president of National Defense Academy Alumni Association.*]

Finance Ministry's Saito 'Cautious' on Rates

OW0408092394 Tokyo KYODO in English 0847 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Vice Finance Minister Jiro Saito expressed cautious views Thursday [4 Aug] on developments in the dollar-yen exchange rate and long-term interest rates.

Saito said at a press conference it is necessary to watch the exchange rate movements "a little longer" before judging whether the dollar's broad weakening against other major currencies has stopped.

Asked if higher long-term interest rates may spoil emerging economic recovery, Saito again said he needed more time to watch while admitting that higher rates may affect capital spending and the economy.

Effect of Strong Yen on Smaller Businesses Viewed

942A0511A Tokyo ASAHI SHIMBUN in Japanese 29 Jul 94 p 5

[Editorial: "Protect Basic Technology From Strong Yen"]

[Text] A month has passed since the dollar broke through the 100-yen threshold. Two-thirds of the small and midsized businesses manufacturing for export purposes responded that the strong yen had an "adverse effect on operations" in a survey conducted by the Small and Medium Enterprise Agency. Movements have been initiated which would indicate the fear of damage to our industrial foundation if the strong yen trend should continue.

The Ota branch of the Tokyo Chamber of Commerce and Industry located in Ota ward of Tokyo, which has a concentration of subcontractors dealing with the machine tool manufacturing industry, has established a research committee to study measures for the hollowing of industry and survival of small industry.

Just as heavy damage was being inflicted because of the difficulty of locatin successors to businesses and the lingering recession, the strong yen has intensified the future instability of small and midsized firms engaged in casting and forging, machining, and metal pressing operations.

These conditions indicate that the effects of the strong yen have had an effect on the basic-technology sector of parts and metal molds for the machine tool industry, which supports the automotive and electrical appliance industries.

Such small and midsized firms have coped assiduously with efforts to reduce costs in the face of the strong yen over the past 10 years. Increasing exports of parts to assembly plants which had been moved overseas enabled them to avoid the direct blow of a higher yen.

However, recently, Japanese firms located overseas and even those located in Japan have increased parts procurement from the various Asian nations. Several years ago, parts makers themselves actively relocated plants to countries like China. Such moves will serve to enhance the technical levels of Asian nations and further accelerate the trend toward import of parts.

When major firms located in Higashiosaka city, Osaka Prefecture, a center for small and midsized metal products makers, gather, the talk focuses on the topic of relocating plants overseas. On the other hand, many of the small firms are withstanding the difficult conditions through downsizing, but after a certain number of moves in that direction, they have no choice but to close down. This industry category is looked upon as operating 3-K [kitsui, kitanai, and kiken; that is, difficult, dirty, and dangerous] work places and is already facing the need to close plants because of personnel shortages.

The weakening of basic technologies that support fundamental industrial functions has an impact which differs from the weakening of mature product areas such as textiles, toys, and bicycles. A drastic scenario would be that, even if a new product idea were created, there is the risk that no firm will exist to commercialize the new product.

It will not be a case where we can take the approach that the situation can be resolved by importing parts. Products in the research and development phase are not fully developed and require the protection of secrecy and routine informational exchanges between researchers, technicians, and plant technicians. Small-lot production of parts cannot rely on overseas sources.

There is a demand for a high skill level, while Japan's basic technology backed by tradition is fundamentally competitive. However, an illogically strong yen and recession originating from economic distortions have caused a decline in orders for cars and domestic appliances and it appears that we cannot expect new demand to compensate for such declines.

We cannot say that there is no risk of a hollowing of industry if the "chasm in demand" should continue. Once the hollowing takes place, a recovery will be difficult even if the yen should weaken. We need to take early remedial action.

We can summarize countermeasures in the form of two goals. First, we must correct the excessive strength in the yen and maintain current demand levels and create new demand for existing industry by providing for a smooth economic recovery.

Creation of new demand will require the effort of businesses themselves over all other considerations, and will require a variety of support actions such as relaxation of controls that obstruct such efforts and establishment of securities and financial systems which aid in the development of growth industries.

There is also the need to examine the manner in which government funds are used. If the establishment of nursing facilities for senior citizens and physically handicapped persons, advanced medical equipment, environmental protective systems, and telecommunications-information networks is advanced, the action should create new demand for basic technology.

Among the three goals envisioned in its integrated economic plan announced in February, the government listed the creation of new industries. Increased spending should be approved for projects that are consistent with welfare and environmental policies.

NHK Poll Views Consumption Tax Hike

OW0408070594 Tokyo NHK General Television Network in Japanese 1000 GMT 3 Aug 94

[Announcer-read report over video; from the "NHK News 7" program]

[Text] In an opinion poll conducted by NHK, 43 percent of those polled responded that the revenue source for tax cuts that the government intends to continue to carry out beyond 1994 should be spending cuts achieved through administrative reform and other measures, while 28 percent answered that the consumption tax rate should be raised.

On 30 and 31 July, NHK conducted a survey of 1,800 men and women over 20 years of age all over the country through personal interviews. Valid answers were obtained from 66.4 percent, or 1,195 of the pollees.

According to the poll, in answer to the question of whether the reduction in income and residence taxes should be continued beyond 1994, 71 percent favored continued tax cuts of various scales. Only 16 percent said that tax cuts need not be continued.

Regarding the question of revenue sources to cover tax cuts, 43 percent, which topped the list, cited reducing government spending through the rationalization of administrative procedures and cost savings; while 28 percent favored a consumption tax hike to secure revenue sources for welfare services which will be needed in the approaching aging society or to reduce the share of direct taxes, such as the income tax, in the overall tax structure. Another 14 percent said that deficit-covering bonds should be used to tide the nation over its present financial difficulties and that a decision on raising the consumption tax should be made later depending on how well the economy recovers.

With regard to tax reform, Prime Minister Tomiichi Murayama has declared that tax cuts will be carried out beyond FY 1994, and this issue is presently being discussed in the ruling parties. The current opinion poll confirms that a majority of the people think that priority should be given to cost savings achieved through administrative reform and other measures as a source of revenue to cover tax cuts.

On the other hand, as for the rapid appreciation of the yen, 47 percent of pollees said this would be bad for Japan in general, 8 percent said that this will benefit Japan, while 31 percent said that it is hard to say.

In answering the question of what is the most significant impact of the yen's appreciation on Japan, nearly the same number of respondents cited a delay in an economic recovery, economic difficulties for domestic industries due to an influx of imports, an industrial hollowing out due to the transfer of plants overseas, or difficulties with exports.

On the other hand, regarding the greatest benefit of the yen's appreciation, 29 percent mentioned production cost savings due to cheaper imported raw materials, and 20 percent cited lower prices of goods due to cheaper imported products.

Editorial Critiques Economic White Paper

942A0512A Tokyo ASAHI SHIMBUN in Japanese 27 Jul 94 p 5

[Editorial: "Does White Paper Elucidate Future of Japan?"]

[Text] What will happen to the future of the Japanese economy? This must be a strong concern from the standpoint of consumers as well as businessmen.

The economic white paper released as this fiscal year's Annual Economic Report by the Economic Planning Agency carried the subtitle, "To a New Frontier After Undergoing a Difficult Adjustment," and made an attempt to answer that question.

First, the point is a reading of the near-term economic trends.

Concerning the three-year recession, the economic white paper labels it "one of the worst" in relation to its duration and depth of decline. However, relative to the current economic situation, the paper provides the assessment that the "level" of economic activity is still modest, but that in terms of "trend" it has already hit bottom and is moving upwards.

As the white paper indicates, there are more than a few areas of concern. If a yen rate below 100 yen to the dollar should persist, it will have a cooling effect on business psychology and could very well have a slowing effect on the economic recovery. Further, the reluctance of financial institutions to issue loans as part of the residual effects of the collapse in the bubble could dampen the desire for capital investments.

In that sense, it is only logical that the white paper calls for "proper and agile management of the economy." Nevertheless, the white paper is terribly lacking in substance. It only mentions the steady implementation of the comprehensive economic package approved in February of this year under the Hosokawa government and it does not reflect any ambitious desire on the part of the new Murayama government to consider any potential unexpected stalling of the economy and to assure a definite recovery.

Another aspect that increasingly obscures the future outlook of managers is the long-term structural weakness being graphically exposed in the current recession.

It was appropriate that the white paper conducted an analysis of various aspects of the Japanese economy with respect to the hollowing of industry, domestic-foreign price differentials, deregulation, and Japanese-style employment systems.

Structural issues stand out prominently during recessions, but are prone to be forgotten during good times. The white paper concerns itself with such trends and clearly states, "Structural issues will not be resolved through economic recovery," and points out the importance of economic reform.

Although purely logical, a reading of the measures proposed for individual issues indicates that a willingness to cope with issues will result in resolution and that there is excessive optimism about the impact of such efforts.

In reference to the hollowing of industry, the paper states, as the horizontal evolution of industry spreads in Asia, a shift to higher value-added industries for the Japanese economy will serve to expand the regional economic pie, and as momentum for renewed economic growth.

Even if such is the optimum scenario, its realization will call for adequate investment in research and development and the training of personnel. Now that high growth can no longer be expected, one wonders how much financial strength remains with business.

In the area of deregulation, encouragement of new businesses through increased domestic competition and reductions in trade surpluses are the right trends. However, it is a fact that such processes will cause business failures and inevitable unemployment.

Economic reform must be implemented at all costs in order to revitalize the Japanese economy at its mature stage. However, if we were to fail to concern ourselves with the variety of turbulence and friction arising from reform action, reform itself will fail to progress smoothly.

The white paper, which centers on analysis, provides a detailed diagnosis of the chronic problems associated with the Japanese economy and calls for drastic corrective action. However, when it comes to the prescription of what is required in the way of action, it is too abstract. Responsibility for converting the reform policies into detailed action plans can be labeled as a responsibility of the new government.

Unless the conversion action is taken, the "new frontier" envisioned in the white paper will never become reality.

Tokyo-Beijing Trade Hits Record High

OW0408100094 Tokyo KYODO in English 0927 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Japan's bilateral trade with China posted record highs in the first six months of the year and the total for the full year is expected to surpass the 40 billion dollar level for the first time, the Japan External Trade Organization (JETRO) reported Thursday [4 Aug].

The sum of exports and imports together jumped 24.7 percent from a year before to 20.69 billion dollars during the January-June period, it said.

Japan's exports to China increased 16.2 percent to 9.09 billion dollars, while its imports rose 32.2 percent to 11.60 billion dollars, leaving Japan with a deficit of 2.51 billion dollars.

Figures were compiled by JETRO using revised trade statistics recently released by the Finance Ministry.

Shipments of videocassette recorders and television sets to China increased, while imports of textile goods expanded, the semigovernmental organization said.

Exports of electrical appliances jumped 57 percent, while those of electronic parts surged 90 percent, but those of automobiles dropped 34 percent due to the removal of tax incentives in China in January.

Imports of textile goods climbed 36 percent and office equipment gained 50 percent.

According to the statistics, imports of Chinese rice in the January-May period soared 1,100 times to 250 million dollars from a year earlier due to Japan's emergency rice import program. Figures for rice imports in June are unavailable as of Thursday.

Meanwhile, JETRO forecasts growth of Japan's exports to China will slow in the second half of this year on tighter Chinese monetary policy but its imports from are likely to stay brisk on account of the rapid influx of the products made by local plants of Japanese firms.

Early Rice Harvest Increases 13-Fold

OW0408060594 Tokyo KYODO in English 0519 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—The summer's sunny weather sent this year's crop of early harvested domestic rice as of the end of July chalking up a 13-fold rise from a year earlier, the Food Agency reported in studies released Thursday [4 August].

This year's rice is also much better in quality than last year's, the agency said.

The amount of early harvested rice came to 20,826 tons compared with 1,593 tons a year earlier when rain and clouds covered the archipelago. Some 83.4 percent of this year's early crop is first-class in quality in contrast to just 15.3 percent last year.

Officials said the research results are usually relevant to the final harvest conditions.

A private research agency projected the rice crop index for 1994 production at 108, against the average of 100, signaling this year's harvest could become the richest in 10 years.

Rice Council Members Back Farming Deregulation

OW0408125294 Tokyo KYODO in English 1134 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Most members of the government's Rice Price Council on Thursday supported a proposal made by a government advisor on agriculture to deregulate rice pricing and distribution, officials said.

Under Japan's food control system, the government controls the pricing and distribution of rice.

The panel held an informal meeting to discuss the proposal made by Seizo Takeda, chairman of the government's Agricultural Policy Council.

The meeting also decided to consider reforms for rice pricing and the panel itself after the Agricultural Policy Council submits a report to Prime Minister Tomiichi Murayama on Aug. 12 to call for drastic reforms of the food control system, the officials said.

As for the proposal by Takeda for the government to encourage farmers to "voluntarily" reduce the acreage of rice production, some panel members said farmers should be given as much freedom as possible in scaling back rice production, they said.

Others said farmers scaling back rice production should receive full benefits from such action.

Jul Sales of Imported Cars Increase 49 Percent

OW0408035594 Tokyo KYODO in English 0325 GMT 4 Aug 94

[Text] Tokyo, Aug. 4 KYODO—Sales of imported cars in July increased 49.6 percent from a year earlier to 30,467 vehicles, marking the ninth consecutive monthly rise, the Japan Automobile Importers' Association said Thursday.

The association said the figure is a record high for the month of July.

Vehicles made by Japanese automakers' overseas units and imported into Japan totaled 10,711 vehicles, up 173.6 percent from a year earlier.

Sales of imported passenger cars with an engine capacity of over 2000 cc [cubic centimeters] shot up 59.2 percent to 20,086.

Sales of imported cars with an engine capacity of 661 to 2000 cc increased 2.9 percent to 7,256, bringing the total sales of imported passenger cars to 27,342, up 39.0 percent from a year earlier.

Sales of imported trucks were a brisk 3,125 compared with 691 a year earlier.

With the latest month's figures, sales of all imported vehicles from January to July came to 168,433, up 41.9 percent over the same period last year.

Sales of passenger cars in that period totaled 152,390, up 31.7 percent, and those of trucks were 16,022, up 438.9 percent.

Vehicles imported from Japanese automakers' overseas units in the seven-month period totaled 45,869, up 80.3 percent.

Matsushita To Treble Output of TFT LCS's

942A0506A Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Jul 94 p 12

[Text] Matsushita Electric Industrial will boost the production quantity of thin-film transistor (TFT) liquid crystal display (LCD) devices to 100,000 units (10-inch conversion) a month, more than treble present production, by the end of 1995. For this reason, it has moved forward LCD-related facilities investment and will invest about 8 billion yen, about 5 billion yen more than the initial plan this fiscal year. Matsushita's liquid crystal business has gotten behind compared to other companies such as Sharp, but it has ventured into a large-scale increase in production on the occasion of increasing liquid crystal application products within the group centering on AV (audiovisual) equipment.

Matsushita is currently producing 30,000 units of (10-inch conversion) TFT LCD's a month at its Ishikawa plant in Kawakita-machi, Ishikawa Prefecture. Its mainstays are 10-inch and 15-inch models for personal computers and work stations, but in the future the policy will be to increase production of 4- to 6-inch models for which demand is increasing in AV equipment and car navigation systems.

For this reason, it will partially expand the production lines under operation from the end of this year to the beginning of next year. It will upgrade productivity by improving the balance between processes and increase production. This facilities investment is equivalent to the 5 billion yen portion which it initially had planned in fiscal 1995.

Matsushita put on sale in July a video camera incorporating a liquid crystal monitor "liquid crystal burenbi [as transliterated]." In addition, Matsushita Communication Industrial and Kyushu Matsushita Electric are producing car navigation systems carrying LCD, and they also are studying the sale of liquid crystal television in the future. With this increase in liquid crystal application products, the demand for LCD within the group is expected to expand further in fiscal 1995 and thereafter, and they will provide an LCD supply system.

Matsushita has positioned LCD as a key product in the "three-year regeneration plan" which began this fiscal year, and the plan is to implement facilities investment of some 20 billion yen at the Ishikawa plant in fiscal 1993 to 1995. The policy is to begin external sales in the near future along with proceeding in the opening up of uses within the group such as next-generation AV equipment and multimedia equipment.

Industry Concerned About Frequency Availability

942A0508A Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Jul 94 p 3

[Text] In addition to the analog format, the digital format is increasingly being offered for cellular telephone services. NTT Mobile Communications Network states, in urban areas where demand is strong, "frequencies for analog systems of the past will be filled to capacity in a few years," and, in reality, sales personnel are encouraging customers to opt for the digital format, where there is still ample capacity in terms of frequencies.

An advantage of the digital format over the analog format is that frequencies can be used more effectively. The secret to that advantage is the compression technology available for digital signals. Voice signals for digital cellular telephones under Japanese specifications sent at 64 kilobits per second are compressed and can be sent as low as 11.2 kilobits per second, enabling the near doubling of subscribers over that which can be carried on the analog format in the same bandwidth frequency.

A special characteristic of the next-generation cellular telephone known as personal handyphone systems (PHS) is that it will enable even more efficient use of frequencies. According to DDI, an attractive feature is that it will have the capacity to "accommodate several million subscribers in the Kanto region alone."

However, the tight supply-demand situation cannot be resolved through increased efficiency in frequency use enabled by the digital system. The reason is that, in the future, a variety of high-tech systems will require the use of frequencies, including portable computer terminals, car navigation systems, and wireless personal computer communications, not to mention cellular telephones.

Establishing frequencies to support such new technologies is indispensable, but the comment is heard that new services cannot be developed in the present situation where frequency shortages are notable for presently offered services.

Typical of that situation are LAN's (local area networks). LAN's enable easy networking with offices located elsewhere. In Japan, communications vendors have monopolized frequencies, and those made available for uses not requiring licenses have been severely limited in comparison to Europe and the United States. "Such situations limit the ability to accelerate data transmission," is a spreading complaint of computer makers.

Since considerable time and cost will be involved in the installation of optical-fiber networks which are expected to become the main carrier of multimedia in the 21st century, some expect that wireless multimedia systems will see commercialization ahead of optical-fiber systems. As an example, it seems that a variety of services will be introduced on a massive scale to include the transmission of information from portable personal computers via wireless networks.

However, it seems that we will see increasing demand for proper allocation of frequencies, because of the obvious potential for shortages in frequencies as systems grow and subscribers increase in number.

ULVAC Japan To Produce Leak Detector in U.S.

942A0503A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 25 Jul 94 p 11—FOR OFFICIAL USE ONLY

[Text] The vacuum equipment manufacturer ULVAC Japan (Chigasaki City, Kanagawa Prefecture; Asao Ueno, president) will produce in the United States a new type of leak detector used in hermetic tests for semiconductor manufacturing and other equipment within the year. It has ventured into local production out of concern that it will become unprofitable due to the rapid yen rise. It has already begun local production of semiconductor manufacturing equipment to respond to the needs of U.S. semiconductor manufacturers where U.S. and Japanese specifications differ, but it will be the first time that the company has used overseas production of a multipurpose product to deal with the high yen.

The leak detector that ULVAC Japan will produce in the United States is equipment that tests airtightness using the light mass of helium. It has developed the "Heriott" (standard model 2.4 million yen) which is half the size of existing models and which shrinks test time to one-third, and the company has begun marketing activities in the U.S. market.

Up to now, sales of large equipment types have centered on the domestic, but it aims to expand sales overseas by introducing small equipment types. It will pitch sales to auto, air conditioning equipment, semiconductor, and other manufacturers in the United States and is establishing a plan to sell 300 a year in the U.S. market, ten times that currently, after five years.

Its U.S. subsidiary ULVAC Technology (Massachusetts) has been firmed up as the manufacturer. Up to now in the United States, it has been manufacturing ashers that remove the resist (light-sensitive resin) after light exposure in the semiconductor manufacturing process by making ash out of it. The company had judged that local production of ashers was advantageous because the requirements for the equipment structure differ in the U.S. and Japanese markets. It will produce locally the multipurpose leak detector as a countermeasure to the rapidly rising yen which has passed 100 yen to the dollar.

ULVAC Japan holds the top share of 60 percent in the domestic market for leak detectors. The policy in the future will be to gradually replace the existing large equipment types with small equipment types. Leak detectors are used for inspection of vacuum leaks in semiconductor manufacturing equipment as well as hermetic tests in the auto and air conditioning equipment manufacturing processes.

North Korea

Delegation Arrives in Geneva, Makes Statement

OW0408002294 Tokyo KYODO in English 0000 GMT 4 Aug 94

[Text] Geneva, Aug. 3 KYODO—A North Korean delegation, set to resume high-level nuclear talks with the United States on Friday, arrived in Geneva on Wednesday.

The delegation is led by Kang Sok-chu, first vice foreign minister, who handled negotiations in the first two rounds of talks last summer and headed discussions July 8.

The U.S. delegation, led by Assistant Secretary of State Robert Gallucci, is due to arrive in Geneva on Thursday morning.

The talks are set to resume at 10 A.M. Friday.

The previous talks were suspended July 9 after the announcement of the death, the previous night, of President Kim Il-song.

The delegation's spokesman Ho Chong told reporters on their arrival that North Korean policy has not changed.

Ho said the talks will be a continuation of the discussions that were suspended in July.

The talks will seek to break the stalemate over Pyongyang's refusal to permit international inspections of its nuclear facilities.

The U.S. alleges North Korea is using its facilities to build nuclear weapons. Pyongyang denies such allegations, but has restricted access to its facilities by the International Atomic Energy Agency (IAEA).

Presence of ROK Nuclear Envoy in Geneva Noted

SK0408104494 Pyongyang KCNA in English 1034 GMT 4 Aug 94

["Disgusting Behavior"—KCNA headline]

[Text] Pyongyang, August 4 (KCNA)—At a time when the South Korean rulers are desperately trying to impede the progress of the DPRK-U.S. talks, "the ambassador in charge of the nuclear issue of the Foreign Ministry" reportedly left for Geneva recently, heading "a delegation," to have "a working-level meeting" with the U.S. side during the third round of the DPRK-U.S. talks.

In this regard NODONG SINMUN today says:

The South Korean rulers are behaving recklessly, sending a delegation even to Geneva to "discuss countermeasures" over the third-round talks. This fully shows that they are on pins and needles, feeling very uneasy about the resumption of the talks.

The analyst further says:

The notion that the nuclear issue of the Korean peninsula must be resolved by means of dialogue and negotiation, through the DPRK-U.S. talks has become a dominant opinion. And it is a stark fact that the third round of the DPRK-U.S. talks is designed for this purpose.

Such a shameless act of the South Korean rulers as hurriedly sending an uninvited delegation to Geneva, the venue of the talks, is a disgusting act contrary to the elementary diplomatic usage and common sense.

The talks is bilateral talks between the DPRK and the United States and its agenda items are matters to be solved by the two sides.

So, the South Korean authorities have neither justification nor reason to poke their nose into the talks. However, they are now acting without discretion, bereft of reason, to obstruct the talks.

No matter what shrill cry they may let out, nobody would lend an ear to it. The old saying "dogs bark, the caravan moves on," is fit to the talks.

If the South Korean rulers poke their nose into the talks and let loose this and that balderdash, they would taste the blow of two sticks.

ROK Moves Diminish N-S Dialogue 'Possibility'

SK0308151294 Pyongyang KCNA in English
1501 GMT 3 Aug 94

["Moves of South Korea Diminishes Possibility of Inter-Korean Dialogue "—KCNA headline]

[Text] Pyongyang, August 3 (KCNA)—THE NEW YORK TIMES July 29 published a commentary on the moves of the South Korean authorities spoiling the atmosphere of inter-Korean dialogue.

Exposing the fact that the South Korean authorities wove a mean plot over the "nuclear issue" of the DPRK, the commentary said in the past South Korea was nervous each time dialogue took place between Washington and Pyongyang.

It insisted that Washington-Pyongyang negotiations must be conditional on the resumption of the inter-Korean dialogue, fearing that North Korea might improve its relations with Washington at the expense of its interests, the commentary noted.

It said South Korea needs to be constructive for the promotion of its dialogue with North Korea, its dialogue partner.

Earlier, on July 21, the paper recalled that the South Korean authorities slandered the North over the last Korean war and said such moves of South Korea diminished the possibility of the opening of inter-Korean top-level talks.

ROK Reportedly Deploys Heavy Weapons in DMZ

SK0408111694 Pyongyang KCNA in English
1047 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—The South Korean puppets on August 2 deployed 90 mm recoiless guns in the demilitarized zone (DMZ) adjacent to Komsa-ri, Chorwon County, and brought there more than 20 bandits armed with large-calibre machine guns and automatic weapons, inciting the atmosphere of war, according to military sources.

That day they brought six military vehicles carrying armed bandits and ammunition boxes into the DMZ from Upnae-ri Kimhwa-up, South Korean Kangwon Province, and introduced military vehicles carrying boxes of shells and ammunition into the DMZ adjacent to Chawon-ri, Pyonggang County.

On August 1 and 2, one hundred and scores of bandits armed with automatic weapons and machine guns took positions in the DMZ near Mt. Wolbi in Kosong County, Mt. Sobang in Pyongyang County and Kwijon-ri in Changpung County and got off into war hysterics.

The armed bandits illegally brought into the DMZ in the two days numbered more than 1,000 and vehicles of various types totalled more than 660.

If the Kim Yong-sam group continues driving the North-South relations to the phase of confrontation, ignoring the unanimous desire of the entire fellow countrymen for peaceful reunification, it will never evade the final destruction.

'Security-Oriented Rule' in South Condemned

SK0408105994 Pyongyang KCNA in English
1008 GMT 4 Aug 94

["Death-Bed Wriggle of 'Civilian' Dictator"—KCNA headline]

[Text] Pyongyang, August 4 (KCNA)—NODONG SINMUN today carries a commentary titled "Death-bed Wriggle of 'Civilian' Dictator" as regards the fascist hysterics of "new security-oriented rule" in South Korea that puts "the security-oriented rule" of "the Sixth Republic" into the shade.

The anti-North confrontation, anti-communist fascist moves and the wholesale suppression of the patriotic democratic forces in South Korea in which the unexpected misfortune of the North is abused for a political purpose, have reached a very dangerous and grisly stage, the analyst says, and goes on:

The sharp edge of "the new security-oriented rule" is directed to the North. As soon as the news of the death of the great leader President Kim Il-song was flashed, the Kim Yong-sam group, a partner of the expected North-South top- level talks, issued "a special alert order" to all the puppet Armed Forces. That was an order to put the puppet army on war footing and level the gun on the back of the fellow countrymen of the North who were wailing in grief, a declaration of renunciation of dialogue and a declaration of anti- North confrontation.

On the other hand, the provocative "emergency order" issued by the South Korean rulers was a virtual declaration of war against the pro-reunification national democratic forces of South Korea. By invoking the notorious "National Security Law" the fascist group committed such an inhuman and anti-ethical act as indiscriminately cracking down on South Korean people of all strata and students who were mourning the death of President Kim Il-song in different parts of South Korea and trying to send a mourning group to the North. Worse still, it has launched a frantic investigation into and roundup of members of the South Korean Federation of General Student Councils (Hanchongnyon), an autonomous organization of students, and students following the chuche idea under the unreasonable pretext of "the people's sentiments" and "the defence of the liberal democratic system," calling them "an organization benefitting the enemy" and "seditious forces." Moreover, it has started a scorched-earth operation against the dissident camp as a whole, alleging that "an underground organization of the Workers' Party of Korea" called "the vanguard of national salvation" has manipulated behind scene the trade unions and Hanchongnyon.

The Kim Yong-sam group has declared a total showdown with the North and launched an undisguised fascist offensive against the pro- reunification democratic forces in South Korea, discarding the mask of "civilian administration" and the slogan of "dialogue" and "reunification." This is a never-to-be-condoned traitorous act opposing national reconciliation, dialogue and reunification and seeking confrontation, war and division. This is also a de facto declaration of a martial law and a political coup designed to save the crisis of "the civilian regime" which has reached the limit with "the new security-oriented rule".

The most horrible "situation of security-oriented rule" ever seen, which has been created by the South Korean rulers, was motivated by a poor trick to save the ruling crisis by keeping the popular sentiments from running to the North. Their "new security- oriented rule" is also their last-ditch efforts to get rid of the pro-reunification forces that are growing stronger and remain in power.

It is inevitable that the traitorous "civilian" ruling group meets its disgraceful end, punished by history and the people.

Democratic Front Group on ROK 'Suppression'

SK0408111194 Pyongyang KCNA in English
1014 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—The director of the Youth and Students Department of the Central Committee of the South Korean National Democratic Front (Hanminjon) released a statement on July 30 denouncing the Kim Yong-sam group for going off into fascist hysterics against the South Korean Federation of General Student Councils (Hanchongnyon) and the forces of the student movement, branding them as "pro-communist forces manipulated by the North" on the charge of expressing condolences over the misfortune of the North of the same nation, the Seoul-based Radio Voice of National Salvation reported.

He said:

The fascist suppression by the Kim Yong-sam group and its scheme to form "a government"-sponsored student organization are shameless and crafty criminal acts aimed at attacking Hanchongnyon from outside with the iron hand of "the new security-oriented rule" and harassing the patriotic student movement from within, thus tearing them asunder. They are an unpardonable challenge to the one million students and the patriotic people hoping for independence, democracy and reunification.

He called on all the patriotic students to thwart in time the Kim Yong-sam group's crafty tricks to disintegrate the student movement, steadfastly defend Hanchongnyon and open a phase of a new turn in the student movement with a more vigorous offensive.

Declaring that Hanchongnyon will decisively smash the physical suppression by "the civilian" fascist dictatorship and its separatist moves and advance more dynamically toward independence, democracy and reunification, he called on all the patriotic people to extend full support and solidarity to the righteous struggle of Hanchongnyon.

He demanded that the Kim Yong-sam group promptly stop the despicable scheme to split Hanchongnyon and its fascist suppression and that the pseudo student activists paid by "the Agency for National Security Planning" against Hanchongnyon cool off and control themselves.

U.S. Imperialist 'War Exercises' Denounced

SK0408041894 Pyongyang KCNA in English
0412 GMT 4 Aug 94

["U.S. Imperialists Stage War Exercises Against North"—KCNA headline]

[Text] Pyongyang, August 4 (KCNA)—The U.S. imperialists Monday [1 August] brought carrier-based planes to the sky above South Korea for a nocturnal surprise bombing exercise against the northern half of Korea, according to military sources.

Ten odd carrier-based planes made their sudden appearance in the sky above Anmyon Islet, South Korea, synchronising with the sailing of the super-large carrier Kitty Hawk to the waters off Cheju Island and staged an exercise of surprise strikes at targets.

On the same day, formations of large transport planes carrying a huge amount of death tools and war supplies from the U.S. mainland and bases in Japan landed one after another in the U.S. Air Force bases in South Korea.

This is a provocative war gamble coiling up tensions on the Korean peninsula.

VOA Cited on Third Round of DPRK-U.S. Talks

SK0308152194 Pyongyang KCNA in English
1508 GMT 3 Aug 94

["Nuclear Issue Must Be Resolved Between U.S. and DPRK"—KCNA headline]

[Text] Pyongyang, August 3 (KCNA)—At a seminar on "IAEA's [International Atomic Energy Agency] for position and role in resolving North Korea's 'nuclear issue'" sponsored by the Washington Atlantic Council on July 30, members of the council stressed that the nuclear issue is a matter that must be resolved between the United States and the Democratic People's Republic of Korea, according to Voice of America [VOA].

Clark, a specialist in the international nuclear policy, said the nuclear issue of North Korea, in actuality, has already turned into a political matter between the U.S. and the DPRK, a matter which no longer allows the interference of the International Atomic Energy Agency (IAEA). Noting the issue has now become a matter to be solved between the U.S. and the DPRK, he said since the IAEA had made as much inspections as it could there was no need for it to meddle in this controversial issue. An advisor to the council, Wiseman, said the third-round DPRK-U.S. talks would be a process full of confidence.

Koreans Residing in U.S., Europe Conclude Visit

SK0408023994 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Aug 94

[Text] (Hong Tong-kun), adviser to the North American Association for the Fatherland's Reunification; (Yang Un-sik), standing chairman of U.S. headquarters of the National Alliance for the Country's Reunification [Pomminnyon]; (Chon Sun-tae), secretary general of the North American Association for the Fatherland's Reunification; (Choe Kun-kuk), central member of the European headquarters of Pomminnyon; and (Kim Hyon-hwan), head of the U.S. Independent Ideology Institute, who came to the fatherland to cherish the memory of the great leader Comrade Kim Il-song, left Pyongyang on 2 August.

Functionaries concerned were on hand at the airport to bid them farewell.

Japan's 'Whitewashing' Past 'Aggression' Viewed

SK0408043494 Pyongyang KCNA in English 0426 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Japan can never bury in oblivion nor gloss over its past crimes and it must shift its course to sincerely liquidating the past as demanded by the international community including the Korean and Asian peoples before it is too late, warns NODONG SINMUN today.

The paper in a by-lined article says:

The chief executive of the Japanese government told a press conference July 1 that "postwar compensation between nations has been made." This is a mockery of the international community that wants Japan to liquidate its past.

The international community strongly demands Japan admit its aggression in the past and compensate as a material token of its will not to repeat such crime.

Japan's liquidation of the past stands out today as a touchstone showing whether it, which was an aggressor nation, is really willing to part with the past of aggression or to repeat it.

Japan's liquidation of the past is not merely an issue of compensating the victims but also an issue of promising the international community not to follow in the footsteps of aggression. Japan is, however, acting to the contrary.

The Japanese reactionary forces are whitewashing the past of aggression, hastening Japan's conversion into a military power and its nuclear armament and establishing a wartime mobilization system to cope with "a case of emergency."

Japan must honestly atone for the past crimes.

It must survey all data concerning the past crimes and open to the public all of them, not concealing them.

The Japanese Government must show an attitude of reflection by instituting a law of its own accord, holding a trial and punishing the chief culprits of the past crimes.

What is important in Japan's liquidation of the past is to compensate for the damages inflicted on the peoples of many countries in the past. Compensation is not an issue concerning a few pennies. It is a material expression of Japan's repentance and liquidation of the past and its new start.

More on Assaults on Korean Schoolgirls in Japan

SK0408112194 Pyongyang KCNA in English 1022 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—The National Council of Women Student Representatives at a press conference Monday noted that 150 or more Korean schoolgirls and compatriots in Japan had been assaulted since April and branded the outrages committed by Japanese as national persecution, according to a radio report from Seoul.

The organisation charged that Japan and the South Korean "Government" failed to take appropriate steps for probing into the truth behind them and punishing those involved, though assaults were committed in an unbroken chain. It urged countermeasures from the national stand and on the "governmental" level.

Kang Song-san Sends Message to Indian Premier

SK0408112994 Pyongyang KCNA in English 1042 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message of sympathy to P.V. Narasimha Rao, prime minister of the Republic of India.

The message expressed deep sympathy and consolation to the prime minister and, through him, to the people of the afflicted areas, upon hearing the unhappy news that floods that hit some areas of India caused big losses in human lives and material.

The message expressed the belief that the Indian Government would recover from the flood damages in a short time and stabilize the life of the people of the afflicted areas.

Economic Delegation Departs for Mongolia

SK0408113494 Pyongyang KCNA in English 1043 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—A government economic delegation of the DPRK headed by Kim Song-ku, minister of local industry, left here today to participate in the fourth meeting of the Korea-Mongolia Inter-Governmental Economic and Scientific- Technological Consultative Committee scheduled in Mongolia.

It was seen off at Pyongyang railway station by Choe Pong-su, vice-chairman of the State External Economic Affairs Commission, and Mongolian Ambassador to Korea Sh. Gungaadorj.

Cuban Envoy Visits Studio To Mark Solidarity

SK0408042994 Pyongyang KCNA in English 0416 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and his embassy officials visited the Korean film studio Wednesday [3 August] on the occasion of the month of solidarity with the Cuban people.

The guests went first to the statue of the great leader President Kim Il-song at the studio. They laid a bouquet before the statue and paid a silent tribute to the memory of the great leader who devoted his whole life to the freedom and happiness of the people, defended the banner of socialism to the last and performed undying feats for the accomplishment of the human cause of independence.

Then the guests saw round relics and materials which show the immortal revolutionary exploits performed by the dear leader Comrade Kim Chong-il in building chuche-based culture and art, before they went round the mock-up location streets.

The ambassador said the Cuban people are now sharing with the Korean people the sorrow at the loss of the great leader Comrade Kim Il-song. "His immortal revolutionary feats will shine forever," he added.

Noting that the dear leader Comrade Kim Chong-il has wisely led the work of the party, the state and the army as a whole, the ambassador said the revolutionary cause of the great leader Comrade Kim Il-song will be successfully carried to accomplishment without fail by the dear leader.

"We will make positive efforts to inherit and develop through generations the friendship and solidarity between Korea and Cuba," he stated.

'New Ways of Treating' Kim Chong-il Sought

HK0408081494 Hong Kong AFP in English 0735 GMT 4 Aug 94

[Text] Tokyo, Aug 4 (AFP)—North Korean health officials are in Japan seeking new ways of treating their new leader Kim Chong-il, who is reportedly suffering from diabetes and cirrhosis of the liver, a news report said Wednesday. Two medical and pharmaceutical delegations—each with two members—have arrived in Japan since President Kim Il-song's death on July 8, the weekly magazine SHUKAN SHINCHO said in its edition published Wednesday. Two of the visitors are officials from North Korea's ministry of public heath, the magazine reported, quoting sources close to the pro-Pyongyang General Association of Korean Residents in Japan. They have brought with them medical data on Kim Chong-il, 52—designated successor to his father Kim Il-song—in a bid to tap Japan's advanced medical expertise for a treatment for him, the magazine said.

SHUKAN SHINCHO said the Stalinist dictator's eldest son was suffering from "advanced diabetes and a major ailment with liver cirrhosis". Kim junior's health has been a source of speculation abroad as it is seen as a possible reason for the delay of his formal succession to his father's titles. During a mass memorial rally in Pyongyang on July 20 for the "Great Leader" president, the "Dear Leader" Kim Chong-il was shown on North Korean television as a blank and lifeless figure.

The magazine, quoting Japanese security police sources, also said the junior Kim's medical data had been handed over to a specialist on liver problems at the Kawasaki branch of Tokyo's Toranomon Hospital. But the doctor, whose name was withheld, denied that he had seen any clinical chart for Kim Chong-il, the magazine said.

Kim Chong-il Receives Message From U.S. Party

SK0408015694 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Aug 94

[Text] The Comrade Kim Chong-il, the dear leader of our party and our people, received a congratulatory message from Sam (Mash), chairman of the U.S. Workers' World Party, on the 41st anniversary of our victory in the fatherland liberation war. The congratulatory message is as follows:

Pyongyang.

To Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA]:

Respected Comrade Kim Chong-il, the Workers' World Party sends the most enthusiastic greetings to you on the day, 27 July 1953, that brought about an armistice putting an end to the war in Korea waged by the United States. In the bloody war from 1950-1953, the U.S. imperialists tried to subordinate the whole of the Korean peninsula, but were defeated. It was the first time in history that such a defeat had been enacted upon the Pentagon and its combined force. The rascal's defeat was achieved through the great Comrade Kim Il-song's revolutionary leadership, and as a result of the struggle by the Workers' Party of Korea [WPK] and the KPA.

Recently, with the loss of the great leader Comrade Kim Il-song, the Korean people have suffered a major loss. However, the determination to continue to struggle for socialism, national sovereign rights, and the fatherland's reunification lives in the hearts of the WPK and in you. Upon your election by the heroic Korean people, you have a heavy responsibility.

Our Workers' World Party confirms that we will support you 100 percent in putting an end to the imperialists' domination and in the struggle to build socialism based on the working popular masses.

I send comradely greetings.

[Signed] Sam (Mash), chairman of the U.S. Workers' World Party
[Dated] 26 July 1994, New York

Kim Chong-il Receives Victory Day Greetings

SK0408042394 Pyongyang KCNA in English
0404 GMT 4 Aug 94

[All names as received]

[Text] Pyongyang, August 4 (KCNA)—The dear leader Comrade Kim Chong-il received messages of solidarity on the occasion of the 41st anniversary of the victory of the Korean people in the fatherland liberation war and the month of international solidarity with the Korean people from Obiang Nguema Mbasogo, president and head of state of the Republic of Equatorial Guinea and founder-chairman of the democratic Party of Equatorial Guinea; Manzaila Antonio, general secretary of the Central Committee of the Liberal Democratic Party of Angola; Sam Marcy, chairman of the Workers World Party of the United States; Indrajit Gupta, general secretary of the National Council of the Communist Party of India; Vladimir Dado, chairman of the Slovak Communist Party; Guzman Rivera Castaneda, general secretary, and Victor Luis Flores Silva, international secretary, of the Revolutionary Socialist Party of Peru; A. Antonov, secretary of the Political Executive Committee of the Socialist Party of Kazakhstan; and the Central Committee of the Communist Party of India (Marxist).

The messages extend greetings of solidarity to Comrade Kim Chong- il, supporting the Korean people's struggle to defend the dignity of the nation and sovereignty of the country.

They express firm conviction that the Korean people closely rallied around Comrade Kim Chong-il will surely achieve peace of the Korean peninsula and national reunification.

Comrade Kim Chong-il also received solidarity messages supporting the Korean people's cause of defending national dignity and the country's sovereignty from Stanislaw Ognik, vice-president of the National Executive Committee of the Polish League of Communists "Proletariat"; Dag Norum, international secretary of the Norwegian Communist Party; Teresa Otiniano, president of the Metropolitan Federation of Settlements of Human and Urban Peoples in Lima, Peru; and political, public and academic circles and organisations of different countries.

Foreign Papers Press Praise Kim Il-song

SK0408043794 Pyongyang KCNA in English
0409 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Foreign papers carried articles praising revolutionary exploits of the great leader President Kim Il-song on his death.

The Norwegian paper FRIHETEN dedicated two whole pages to a special write-up, carrying a portrait of President Kim Il-song and a photograph of him going round the Changgwang Health Complex together with the dear leader Comrade Kim Chong-il.

Referring to President Kim Il-song's revolutionary exploits, the paper wrote:

President Kim Il-song enforced excellent policies in North Korea.

He worked as president of the republic and general secretary of the Central Committee of the Workers' Party of Korea till the day of his death at his advanced age.

Under his outstanding leadership, North Korea has risen up as the most wonderful state with an independent economy in the world, pushing aside the debris after everything had been destroyed in the war. All the people should know well of the advantages of the society of North Korea.

We must apply the idea of President Kim Il-song to the international communist movement.

It is well known a fact not only in Korea but also in the world that President Kim Il-song was a man with rare wisdom and outstanding leadership ability.

The idea of President Kim Il-song will be immortal together with the international communist movement.

The Lebanese paper AL-NAHAR said:

Respected President Kim Il-song was a great man who led the revolution for repulsing aggressors to a victory. His whole life is recorded with brilliant truth.

The Korean people held President Kim Il-song in high esteem as their leader.

He fought for the reunification of the country till the last moments of his life.

The death of his excellency the great leader Kim Il-song is a loss which nothing can make up for.

The Nigerian paper DAILY CHAMPION, the Pakistani paper DAWN and the Romanian paper ARMATA ROMANIEI also carried articles introducing the revolutionary feats of President Kim Il-song.

People Vow To Accomplish Kim Il-song's Idea

SK0408100394 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 3 Aug 94

[Text] All party members and workers are engraving the great leader Comrade Kim Il-song's revolutionary ideas—everlasting life of our revolution—more deeply in their hearts. Under this circumstance, the State Construction Committee intensified the work of arming itself with the great leader's [suryongnimui] revolutionary ideas more thoroughly so that all functionaries and party members unswervingly fight along the single road of chuche under the leadership of the dear leader Comrade Kim Chong-il.

In a meeting with reporter Kim Su-chin from the Central Broadcasting Network, Comrade Pak Chun-sik, party secretary of the State Construction committee, said:

[Begin Pak recording] Today our party and people are vigorously advancing along the road of socialism without wavering amid a complex situation because the revolutionary ideas of the fatherly leader are shining on our road.

Therefore, our party Committee intensified the study of the great leader's immortal works—our most precious ideological and mental assets—by keeping in mind the party's intent to more thoroughly arm itself with the great leader's revolutionary ideas.

We carried out organizational and political works in a bid to study the immortal works, which the great leader completed with all his heart, more substantively than the great leader's life time.

By enhancing the role of those in charge of the study (?programs), we saw to it that the profound ideas and theories contained in the great leader's immortal works are taught with persuasive power. On the other hand, we encouraged all functionaries to keenly realize justness and vitality of the chuche idea by substantively organizing a debate.

Besides, we intensified the work of guiding the study so that all functionaries and party members live and work in compliance with the demand of the chuche idea.

In particular, we encouraged them to repeatedly read the great leader's New Year message many times so that they fully and thoroughly understand the fatherly leader's ideas contained in it and that all functionaries more vigorously carry out socialist construction by highly displaying the revolutionary spirit of self- reliance and arduous struggle.

Not satisfied with this, our party Committee also frequently carried out the (?propaganda) work for the Korean Revolutionary Museum, revolutionary battlefields, and revolutionary relics. As a result, functionaries and party members came to realize more keenly that the leader's revolutionary ideas, which were created amid fierce flames of the revolution, are indeed encyclopedic and completely creative ideas. Furthermore, they made a firm pledge to unswervingly inherit the chuche bloodline with single-hearted unity with the respected supreme commander Comrade Kim Chong-il according to the fatherly leader's lifetime intention.

We will also carry out substantively the work of more thoroughly safeguarding and glorifying the great leader's revolutionary ideas—the life of our revolution and guiding idea of our era—so that all functionaries and party members carry to accomplishment the chuche revolutionary cause, which began in Paektu, to the end under the leadership of the dear comrade leader. [end recording]

Kim Il-song's Reunification Policy Stressed

SK0408112794 Pyongyang KCNA in English 1029 GMT 4 Aug 94

["Let Us Reunify the Country by Founding a Confederal Republic"—KCNA headline]

[Text] Pyongyang, August 4 (KCNA)—NODONG SINMUN today carries a by-lined article entitled "Let Us Reunify the Country by Founding a Confederal Republic."

Recalling that the great leader Comrade Kim Il-song, the sun of the nation and the lodestar of national reunification, set national reunification as the greatest task of the nation and wisely led the whole nation for its achievement from the first day of national division, the article says:

The respected leader put forward the proposal for founding the Democratic Comfederal Republic of Koryo at the historical sixth congress of the Workers' Party of Korea in October 1980. The keynote of it is to reunify the country by founding a confederal republic through the establishment of a unified national government on condition that the North and the South recognize and tolerate each other's ideas and social systems, a government in which the two sides are equally represented and under which they exercise regional autonomy respectively with equal rights and duties.

There are different ideas and systems in the North and South of our country.

If the country is to be reunified under this condition, neither side should regard its own ideology and social system as absolute. If any of the North and the South considers its own ideology and social system absolute or try to force them on the other side, it will inevitably lead to confrontation and conflicts, and this will bring about a national disaster. Therefore, the country must be reunified by founding a confederal republic on the principle of co- existence, neither side of the North and the South conquering the other or being conquered, and neither side overpowering the other or being overpowered.

The proposal for founding the Democratic Confederal Republic of Koryo has not been realized yet because of the manoeuvres of the divisive forces within and without which are opposed to national reunification.

All the fellow countrymen in the North, the South and overseas must closely unite as one, upholding the three principles of national reunification of independence, peaceful reunification and great national unity and the ten- point programme of the great unity of the whole nation put forward by the great leader and achieve national reunification without fail by the confederacy formula, frustrating the anti-reunification moves of the divisive forces within and without.

Cilreco Publishes Bulletin on Solidarity Month

SK0408112094 Pyongyang KCNA in English
1020 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea (Cilreco) published the July issue of its bulletin on July 23.

According to the bulletin during [words indistinct] July 27 month of international solidarity with the Korean people, the world conscience and peaceloving forces took various measures to check the U.S. policy of disturbing peace and bring the solidarity movement of the peace-loving forces to a high tide worldwide, expressing serious concern over the U.S. new war provocation moves.

The International Liaison Committee hailed the resumption of the DPRK-U.S. talks for a package solution to the nuclear issue on the Korean peninsula and published a "white paper on the nuclear issue of the Korean peninsula" in order to frustrate the false propaganda campaign of the United States. The members of the committee expressed support and encouragement to the consistent efforts of the Democratic People's Republic of Korea for the reunification of Korea and its peace.

In the period of the solidarity month, an anti-U.S. demonstration was staged by 20 odd political parties and organisations of Britain in front of the U.S. Embassy in London, a mass demonstration in front of the U.S. Consulate in Chile, mass demonstrations in front of the U.S. and Japanese Consulates in Saint Petersburg and demonstrations were held in Japan, Cuba, India, Nepal, Lebanon, Peru and other countries. And more than 680 million people of over 150 countries had participated in the signature campaign supporting "10-point programme of the great unity of the whole nation for the reunification of the country" launched at the proposal of the International Liaison Committee by the end of June.

Declaring that some 320 solidarity organisations supporting the reunification of Korea through confederacy are active in more than 100 countries at present, the bulletin called upon the regional and national committees of the International Liaison Committee and other peace organisations and friendship and solidarity organisations to strengthen solidarity movement with redoubled efforts to accomplish at an early date the cause of Korea's reunification which respected President Kim Il-song desired so earnestly.

Local Industry Output Value Increases 35 Percent

SK0308151994 Pyongyang KCNA in English
1505 GMT 3 Aug 94

[Text] Pyongyang, August 3 (KCNA)—Workers of the local industry of Korea are effecting a new upsurge in the production of mass consumption goods.

According to data available, local industrial output value increased 35 percent in July over the previous month and the output of major consumer goods more than 30 percent.

The industrial output value of the South Hwanghae provincial general bureau of local industry jumped 90 percent in the period. Local industrial factories in Haeju city and Changyon and Sinchon counties surpassed their July plans by far as of July 19.

The local industrial factories in Sukchon and Unsan Counties, South Pyongan Province, and Chongju and Changsong Counties, North Pyongan Province, topped their daily assignments 20 percent on an average in July. They are maintaining a high and steady rate of production from the beginning of this month to fulfill the monthly plans far ahead of the schedule.

The South Hamgyong provincial general bureau of local industry, the Kangwon provincial general bureau of local industry, the Pyongyang foodstuff complex and the Pyongyang city general bureau of garment industry sharply increased the output of major consumer goods in July.

Talk Stresses Self-Reliant National Economy

SK0408125994 Pyongyang Korean Central Broadcasting Network in Korean 2244 GMT 3 Aug 94

[Unattributed talk: "A Self-Reliant National Economy, Which Has Become All the More Solid Under the Great Leadership"]

[Text] Economic self-reliance is a material foundation for a sovereign and independent country and the victory of the socialist cause can be all the more ensured by powerful economic strength.

Thanks to the wise leadership of the dear leader Comrade Kim Chong-il, the great leader [yongdoja], the foundation of self- reliant national economy provided by the great leader Comrade Kim Il-song has become all the more consolidated in our country today and its might has been powerfully displayed all the more. This has also devoted greatly to our people's happy material and cultural livelihood and the country's independent development.

The dear leader Comrade Kim Chong-il has pointed out: Building a self-reliant national economy following the lines of economic construction to which our party has consistently adhered is a firm guarantee for the country's sovereignty and the nation's prosperity.

Generally, the country's economic strength can be estimated and regulated by its self-reliance and the capacity and scale of production. The most important factor is economic self-reliance. This is because, under the condition in which economic construction is carried out with each national state as a unit, a true sense of a mighty economy is a self-reliant economy that can ensure material and manpower resources for production unflinchingly by itself under whatever difficult circumstances and that can carry out production independently.

A self-reliant national economy is a national economy managed and operated by its own national technical cadres and has technical foundations for a national economy with many-sided economic structure, its own stable base of raw markets, and modern technology as its material contents.

Under the wise leadership of Comrade Kim Chong-il, the sagacious leader of our party and people, our people have resolutely adhered to the lines of building a self-reliant national economy that embodies the great leader Comrade Kim Il-song's immortal chuche ideas during the entire period of socialist construction. Thus they have established the most solid and mightiest socialist self-reliant national economy and are displaying its might to the full extent.

Comrade Kim Chang-su, vice director of the Central Statistics Bureau, says:

[Begin Kim recording] Our people in the past inherited the most outmoded and inferior economy in the world. There were few plants and complexes in the nation built by the Japanese imperialists for the purpose of colonial exploitation. However, they were ineffective and, to make matters worse, were all destroyed when the Japanese ran away from our country.

Worse still, the plants that our people had restored after the liberation were all destroyed due to the three years of war provoked by the U.S. imperialists. Such being the case, our people had no choice but to revitalize the economy from ruins.

However, our people, with the spirit of self-reliance and hard struggle, have erected an independent, self-reliant, many-sided, and modern economy with its own resources of manpower and materials in conformity with the line of building a self-reliant national economy. In doing so, they are fully displaying their feat. This is a great victory achieved by following the lines of building a self-reliant national economy set forth by our party and is a powerful demonstration of its vitality. [end recording]

We should indeed be proud of our economy, which started from zero after the liberation but has been able to develop into today's mighty self-reliant national economy, in which we have everything necessary, do everything we want, and make everything we want with our own human and material resources.

This great achievement is a brilliant result being even more highlighted by the wise leadership of the dear leader Comrade Kim Chong-il, who fully bloomed on this land the lofty intention of the great leader Comrade Kim Il-song, who devoted all his efforts and energy throughout his life for the prosperity and development of the country and the happiness of the people. It is also a lofty fruition of the arduous loyalty of our people, who have devotedly waged the struggle while upholding the leadership of the party and the leader [suryong], and a powerful display of the might of our people's single-hearted unity and limitless creativity. [music]

Our self-reliant national economy has everything necessary in every field and is mightier because it is an independent and diverse national economy whose economic sectors are fully equipped with production structures.

In the electricity industry, large-scale hydroelectric, thermal, and lockgate power plants, and various small to medium-sized power stations have been built in various places across the country.

In the mining industry, numerous large-scale coal mines have been developed in the areas where deposits are abundant and development conditions are favorable. The solid material and technological basis smoothly guarantees the increasing demands for coal and minerals.

In the metal industry, on the land where there were only ashes after the war, large-scale modern iron and steel plants and smelteries have been restored and expanded, and many new metal plants with fully equipped production processes were newly built according to specialization. Annual steel production volume reached a high level and secondary processed metal production also showed a remarkable growth.

In the machinery industry, the core of industries, modern machinery equipment, including a 10,000-tonne press, a 18,000-cubic- meter oxygen separator, large-capacity power equipment and transmission towers [yonjonsolbi], and digital control special precision machine tools, are handily made as intended.

The construction industry is reliably guaranteeing mammoth projects. The chemical industry is smoothly guaranteeing the supply of chemical products, which are demanded by the people's economy more and more.

In transportation, over 8,000-ri of railway in more than 20 routes have been built; the percentage of transportation by electric locomotives reached more than 90 percent; more than 75,800 km of roads, including expressways, extensively connect all provinces, cities, counties, ri's, and villages in the country; and ports in the east and west coast have been modernized; thus, the country's transportation demands are smoothly guaranteed.

The size and production capacity of the heavy industry and key industries, which are displaying the might of the self-reliant national economy, is indeed enormous.

Furthermore, light industry has greatly contributed to the development of the overall economy and improvement of people's lives. Following our party's basic line of economic construction, large-scale central light-industry plants have been built and every county has an average of 25 local industry plants.

Our agriculture has actively accomplished the tasks of technological revolution presented by the rural theses and achieved bumper crops every year. Over 1,700 dams, 25,800 pumping stations, and 40,000 km of waterways have been built; the number of tractors per 100 chongbo [one chongbo equals 2.451 acres] of cultivated land is seven and six in fields and hilly areas respectively; the number of rice-planting machine averages six; and per-chongbo use of chemical fertilizer is also on a high level.

Indeed, matchlessly enormous is the might and potential of the self-reliant national economy, which is built by our people, who tightened their belts and saved every penny, following the hands of our party and people's sagacious leader Comrade Kim Chong-il, who upholds the great leader's line and leadership with loyalty and filial piety.

In the process of the struggle to build a socialist self-reliant national economy for the prosperity of the country and happiness of the people, numerous new industries, including the electronic and automation industry, vinalon industry, lumber processing industry, shipbuilding, and atomic energy, were developed. Their geographic distribution is ideal so that the connection between rural and urban areas is strengthened; and the country's economic development is on a higher level. Our party and people, who built such a mighty economy, are indeed smart and wise.

Here are some figures:

Thousands of plants and enterprises were built during the 45 years after the liberation, including over 1,400 large-scale plants and enterprises; the nation's gross industrial output a few years ago recorded 554 times more than that right after the liberation; total industrial production in 1946 can now be produced in 13 hours.

The figures graphically reflect the features and might of the development of our self-reliant national economy, which has advanced while embroidering the single road of leaping forward following the road of self-reliance.

Our people's self-reliant national economy has a diverse economic structure and a huge production capacity, and is a mighty national economy based on its own solid material resources. Our party has made the most of the country's natural resources while exerting efforts to develop the economy into a chuche-type and self-reliant economy based on our own fuel and material from the very beginning.

Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, has consistently adhered to our party's economic construction line and policies presented by the great leader. In the electric power industry, based on the country's natural and geographical conditions and abundant resources, he ordered that basically hydroelectric and thermal power plants should be built utilizing rivers and coal. In the metal industry, he actively introduced the our-style iron and steel production method and strengthened its chuche character and self-reliance. He also improved and expanded the chemical, lumber, light, and local industries by thoroughly and effectively utilizing our own material and resources.

As a result, our socialist economy has stood firm in any international economic crisis, has guaranteed self-reliance and safety of the development of the national economy, has normalized the high speed of production, and has earned confidence on the single road of ceaseless upturn.

In the end of the 1970's and the beginning of the 1980's, many countries suffered from economic stagnation or backwardness due to the global economic, energy, and material crisis. From 1978 to 1984, our country's average annual growth rate of industrial output was 12.2 percent. This clearly proves the correctness and vitality of our party's line of self-reliant national economic construction. [music]

Our country's self-reliant national economy is even stronger because it is applied and developed by our own executives [kanbu] of national technology. Our own executives of national technology are an essential condition to building the self-reliant national economy in terms of human and chuche-oriented factors. To better solve the question of our own executives of national technology, in which the great leader dedicated much efforts during the difficult days after the liberation and war, the dear leader of our party and people Comrade Kim Chong-il took many wise measures while paying special attention and great consideration.

As a result, our country now has a big group of 1,730,000 technicians and specialists. They are excellently managing and operating all the sectors of the self-reliant national economy on their own. The question of experts in national technology, which is an important condition for economic and technological self-reliance, was brilliantly solved so our economy and science and technology is developing in the manner of chuche without anyone's help and looking forward to a brighter future.

Indeed, due to the wise leadership of our party and people's outstanding leader Comrade Kim Chong-il, who has consistently adhered to our party's unique economic construction line and policies presented by the great leader and vigorously led the struggle to accomplish them, the might of the self-reliant national economy on this land is firmly strengthened, and the political independence of our people and dignity of socialism are firmly guaranteed.

Thanks to the wise leadership of our party and people's sagacious leader Comrade Kim Chong-il, who is most faithful to the great leader's ideology and leadership and further glorifying his achievements on the highest level, the might of our socialism based on the firm self-reliant national economy is becoming even more solid, and the chuche revolutionary cause pioneered in Paektu is being more assuredly consummated.

Talk Stresses National Unity for Reunification

SK0408061294 Pyongyang Korean Central Broadcasting Network in Korean 0825 GMT 1 Aug 94

[Unattributed talk: "Let Us Achieve National Reunification Through Great National Unity"]

[Text] The third anniversary of the great leader Comrade Kim Il-song's elucidation of lines and policies for the great national unity in his classical work entitled "Let Us Achieve Our Nation's Great National Unity" is marked on 1 August. On this occasion, all of our people have come to recall the respected and beloved leader's benevolent appearance in humble reverence, who regrettably passed away from us after devotedly concentrating efforts on the national reunification without sleep or rest.

The great leader Comrade Kim Il-song has taught: The issue of independently and peacefully achieving national reunification cannot be possible apart from our nation's great national unity.

The great national unity is a basic precondition for the independent and peaceful national reunification, as well as is a basic element of reunification. The greatest importance in realizing the cause for national reunification is to achieve our nation's great national unity.

In his work, the great leader has defined mutual relations between the national reunification and the great national unity based on his keen formulization [chongsikhwa] of the reunification and the national issues. Also, he has scientifically explained the theoretical and practical problems in achieving the great national unity.

The idea on the great national unity expounded by the great leader is the just one formulated based on the chuche philosophical truth that one can win victory at any movement only if one strengthens chuche and enhances its role, as well as on the chuche-oriented outlook on the nation indicating that all the nation should unite as one to safeguard and achieve national independence, as well as to realize the common prosperity of the nation, regarding independence as the life of the nation.

In his work, the great leader said that all Korean people, as masters of national reunification, should firmly unite as one to fulfill their responsibilities and roles in strengthening chuche of the reunification, saying that they are the chuche of the national reunification, and that the might of the chuche is just the might of unity.

The great leader said that under the banner of the great national unity, all Korean people should achieve national reunification by firmly uniting as one based on patriotism and the spirit of national independence, saying that the national issue, in essence, is the issue of safeguarding and achieving national independence, and that our nation, a homogeneous nation, has strong patriotism, as well as has a high sense of independent spirit. He also said that all Korean people should build the people's ideal society based on the united and consolidated might of the entire nation even after the fatherland is reunified, and that they should be able to enjoy their boundless happiness on this land.

Achieving the great national unity for the national reunification is the brilliant summation of the leadership, achievements, and lofty experience of the great leader, who has led the revolution and construction to the single road of victory with the people's united might, giving priority to ensuring the nation's own interest.

In his work, the great leader has profoundly explained mutual relations between the national reunification and the great national unity and has defined that the reason for the DPRK calling for the national reunification through confederal system based on one nation, one state, two systems, and two governments is to achieve true national harmony, as well as national reunification.

The ideology and line elucidated in the classical work are a banner of patriotism and nation-loving and a great program for reunification which can be expounded upon only by the respected and beloved leader. In his work, the great leader clearly elucidated the basic principle that should be firmly adhered to in achieving great national unity and the methods for their realization.

The great leader defined it as the basic principle in achieving great national unity that the compatriots of all walks of life in the North and the South and overseas give priority to the nation's common interests and serve all things for the cause of national reunification, while transcending differences in their ideologies, systems, and religions.

The great leader also elucidated upon the issues of frequent contacts and visits among the compatriots in the North and the South and overseas, on actively developing dialogue among them, on strengthening pan-national solidarity in the struggle for national reunification, and realizing the organized alliance of all political parties, public groups and organizations, and compatriots of all walks of life in the North and the South and overseas struggling for reunification.

The principle and method for achieving great national unity as elucidated by the great leader are a guiding principle for struggle which should be firmly grasped and implemented to the end in strengthening the main force of national reunification through the achievement of the entire nation's unity.

Indeed, the great leader's historic work, "Let Us Achieve Great Unity of Our Nation," is a classical document which has systematized and synthesized anew the ideology and theory on great national unity based on the chuche idea. It is also a programmatic document which vigorously encourages and inspires all of the nation into a nationwide struggle for reunification in the nineties.

The line and policy of great national unity clarified by the great leader in his classical work are a most correct, realistic, patriotic, and nation-loving line in light of the inherent contents of the question of the nation and the question of national reunification, in light of the tradition and experience of national unity, and in light of the ardent desire of the entire nation for unity and reunification. They are also a most fair and aboveboard policy of national unity and reunification which can be acceptable to anyone who wants national reunification.

Receiving the line and policy of great national unity expounded by the great leader the compatriots in the North and the South and overseas are more vigorously launching into the struggle for national reunification.

The basic principle, expounded by the great leader, that should be adhered to in achieving great national unity has opened the road on which, let alone workers, farmers, and intellectuals, even those who committed crimes against the country and the nation in the past if they embark on the road for reunification can pool their strength together and, thus, further strengthen the nation's main force for reunification.

All the Korean people should firmly unite for national reunification, the common cause of the nation, on the basis of their love for the fatherland and the spirit of national independence, regardless of whether they are in the North, the South, or overseas and irrespective of their past background.

Great national unity is achieved and consolidated not by their words but in the course of pooling their will and strength and, thus, making joint action in the struggle for national reunification.

When all compatriots in the North and the South and overseas rise up as one, upholding the great leader's 1 August 1991 teaching on achieving our nation's great unity and the 10-point program of great unity of the whole nation for national reunification that he prepared and published in April last year, national reunification, 70 million compatriots' long-cherished desire, will be achieved without fail.

Our people will achieve national reunification without fail by upholding the lifetime will of the great leader [widaehan suryong] because there is the wise leadership of the dear leader Comrade Kim Chong-il, the great leader [widaehan yongdoja] of the nation, who is the sun of the guidance and the lodestar of national reunification.

Studios Reportedly Release New Films

SK0408112894 Pyongyang KCNA in English 1040 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Film studios of Korea are now making many feature and documentary films of high ideological and artistic value.

The feature film "The Young Chief of Staff" produced by the Korean February 8 Film Studio is now showing at cinema houses across the country.

The hero of the film, Pak Yong-tok grows to be a full-fledged commanding officer under the loving care and trust of the great leader President Kim Il-song and is appointed chief of staff of the frontline command during the fatherland liberation war through his command of the Kumchon area battle. The film well shows on the screen that one can always win when he applies the chuche-based tactics formulated by the supreme commander.

The film consists of two parts—"Appointment" and "Strike".

This film studio has released the feature film "The Soldier Returns To His Alma Mater" portraying hero of the Republic Cho Kun-sil who unhesitatingly dedicated his youth and life to the party and the leader, the country and the people in the fatherland liberation war. The newly-released films include the feature film "The Soldier's Oath" portraying a regimental commander who brings up recruits of new generation to remain loyal to the party and the leader, the country and the people any time and anywhere as they pledged before the military colours at the time of their enlistment in the Army.

The Korean film studio produced the feature film "A Kind-Hearted Girl" representing the communistic traits which are highly displayed in the whole society. The film tells about a girl announcer of a textile mill who adopts two orphans and brings them up to be true soldiers of the party like their real mother.

The Korean documentary film studio released "The International Seminar of the Chuche Idea on Independence, Peace and Friendship" (New Delhi, from April 8 to 10, 1994), "Champions," "Soldiers of the General" and other documentary films.

International Children's Camp Opens in Wonsan

SK0408043994 Pyongyang KCNA in English 0420 GMT 4 Aug 94

[Text] Pyongyang, August 4 (KCNA)—Camping has begun at the Songdowon international children's camp situated in Wonsan, a port city of culture, on the east coast of Korea.

The campers included school children from Guinea, Nepal, Laos, Russia, Mongolia, Bulgaria, Belarus, Slovakia, Ukraine, Hungary, Yugoslavia, India, China, Cambodia, Thailand, Cuba and Poland and Korean school children.

They were received at the camp with a due ceremony on August 3.

The campers observed a moment's silence to honor the memory of the respected leader Generalissimo Kim Il-song.

The speakers at the ceremony said that the dear leader Kim Chong- il who regards the children as the "king" of the country showed a loving care so that the international children's camp could be operated in the scenic spot of Korea, the land of morning calm, which is blessed with beautiful mountains and clean water. They said, though they were different in hometown, language and custom, they would consolidate the knowledge they had acquired at schools, train their body and mind and deepen mutual understanding in the happy and fruitful camping, thus further solidifying the bonds of friendship.

Built on the scenic seabeach, the camp has an accommodation capacity of over 1,200 and a floor space of 40,000 square metres.

South Korea

DPRK Delegation Issues Statement in Geneva

SK0408011394 Seoul YONHAP in English 0102 GMT 4 Aug 94

[Text] Geneva, Aug. 4 (YONHAP)—North Korea and the United States resume high-level talks on Friday [5 August] to discuss the dispute over Pyongyang's nuclear program and ways to improve bilateral relations in both the diplomatic and economic spheres.

The third round of dialogue was abruptly suspended on July 8 when North Korea announced the death of Kim Il-song.

The United States is likely to propose an exchange of liaison offices as a means to improve relations on condition that North Korea's nuclear transparency is guaranteed, diplomatic sources here said.

Washington will also discuss support for Pyongyang's replacement of its heavy-water reactors with light-water models and economic cooperation with North Korea, the sources said.

A spokesman for the North Korean delegation, which arrived in Geneva Wednesday, said the North's basic policy for the talks has not changed despite the death of Kim Il-song.

Ho Chong, former deputy chief of the North Korean mission to the United Nations, issued a brief statement on arrival at the Geneva airport along with the delegation led by Kang Sok-chu, first vice foreign minister.

"The issues which had been dealt with at the former talks will also be discussed this time since this is a resumption of the former talks which were suspended," Ho said.

On the question of whether there is any change in North Korea's nuclear policy, he said that "all our policy is consistent."

The North Korean and American delegations are expected to have their first talks at the U.S. mission here Friday and will then move to the North Korean mission Saturday, according to the sources.

Negotiations are also scheduled for Aug. 9-10 next week.

The U.S. delegation led by Robert Gallucci, assistant secretary of state for political and military affairs, is slated to arrive Thursday.

DPRK Source on Transfer of Rods to Third Nation

SK0408023094 Seoul TONG-A ILBO in Korean 4 Aug 94 p 1

[Report by Yi Tong-kwan from Tokyo]

[Text] In a Washington-datelined story dated 3 August, Japan's NIHON KEIZAI SHIMBUN quoted a North Korean diplomatic source as saying the chances are high that North Korea will accept a U.S. proposal to transfer spent fuel rods to a third country [pukhanun migukchugi cheanhan pyeyollobongui chesamguk ijone kwanhan cheanul padaduril kanungsongi kudago].

Families of Abductees Ask Red Cross for Help

SK0308123694 Seoul YONHAP in English 1148 GMT 3 Aug 94

[Text] Seoul, Aug. 3 (YONHAP)—The families of three more people reportedly being held in captivity in a North Korean concentration camp, appealed to the Korean National Red Cross [KNRC] on Wednesday for help in obtaining their early release.

They were the families of Kang Chong-sok, Yu Song-kun and Kim Po-kyom who the Amnesty International said over the weekend are among those held in a North Korean camp.

Kang was reported to be missing in West Germany in 1971 when he was working there as a miner. He was later determined to have been abducted by the North Koreans.

In the appeal, Kang's family said that since Kang is at a concentration camp, it is apparent he did not defect to North Korea on his own as Pyongyang claimed but was taken to the North against his will.

Yu Song-kun was working as a labor attache at the South Korean Embassy in West Germany when he, along with his wife and two daughters, were abducted by the North Koreans during their tour of West Berlin in April 1971.

The third man, Kim Po-kyom, formerly a taxi driver, was known to have been kidnapped to North Korea in an area close to the Demilitarized Zone.

On Monday and Tuesday, the families of Ko Sang-mun and Chong Chong-to, both detainees at a North Korean prison camp, filed similar appeals to the KNRC.

Return of Abductees Via World Organs Supported

SK0408115294 Seoul YONHAP in English 1030 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—The South Korean Government on Thursday decided to positively strive to obtain the release of those South Koreans abducted and held in captivity in North Korea.

A relevant ministers' meeting resolved to make the effort initially through international organizations like the International Committee of the Red Cross (ICRC) and U.N. Human Rights Office.

The meeting also decided that when the South-North dialogue resumes, the South would raise the question of dispersed families and abductees on a priority basis.

At the meeting chaired by Prime Minister Yi Yong-tok, attendees reviewed the idea of asking North Korea to free and return all the abductees to the South forthwith.

But, the step was dropped, however, as it in effect lacked feasibility. Instead the meeting decided to press for their return once the dialogue resumes.

In an effort to steadily promote the issue of their release, the meeting decided to form an inter-office ad hoc committee headed by Vice Unification Minister Song Yong-tae.

The attendees, besides Premier Yi, included Deputy Prime Minister Yi Hong-ku, Foreign Minister Han Sung-chu, Home Minister Choe Hyong-u, Justice Minister Kim Tu-hui, Information Minister O In-hwan, Agency for National Security Planning Director Kim Tok and National Red Cross President Kang Yong-hun.

Norway's Assistance Asked in Resolving Ko Case

SK0408015894 Seoul YONHAP in English 0116 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—Seoul has requested the Norwegian Government's help in tracing the abduction of a South Korean who is reportedly imprisoned in North Korea and in taking action to resolve the matter, Foreign Ministry officials said Thursday [4 August].

The ministry made the request through the South Korean Embassy in Norway on Wednesday, explaining that high school teacher Ko Sang-mun disappeared while in Oslo and asking the Norwegian Government to provide all possible assistance to help solve the case, officials said.

Ko disappeared on April 15, 1979. Amnesty International said last week that he is being detained in a North Korean camp as a political prisoner.

Ko's personal belongings including his passport were found on a local bus, and South Korean authorities believe he was trying to get to the South Korean Embassy to report his missing passport when a cab driver mistakenly took him to the North Korean mission, then situated just 20 meters from the South Korean building.

Pyongyang admitted soon afterward that Ko is in the North but insisted that he came of his own volition.

Officials said Norwegian police tried to find the cab driver who took Ko to the North Korean Embassy back in 1979 but their search was unsuccessful.

DPRK Reportedly Pressured by Economy, Military

SK0408043894 Seoul HANGUK ILBO in Korean 4 Aug 94 p 2

[Report by correspondent Yi Chang-min from Tokyo]

[Text] Donald Gregg, former U.S. ambassador to the ROK, said on 3 August that North Korea's Kim Chong-il system is receiving pressure from its people who are calling for improved living standards and from its military which is urging nuclear development.

Former Ambassador Gregg, in an interview with Japan's MAINICHI SHIMBUN that day, said Kim Chong-il faces complex problems since he lacks his father's charisma and succession in a communist country is without precedent.

Early Collapse of Kim Chong-il System 'Fantasy'

SK0408041394 Seoul HANGYORE SINMUN in Korean 4 Aug 94 p 2

[YONHAP report from Tokyo]

[Text] Professor Okonogi Masao of Keio University, an expert on Korean affairs who has put forth relatively correct views in connection with the succession following North Korean President Kim Il-song's death, said we must not judge there to be a problem in the succession system because there has been no announcement yet about Kim Chong-il's being elected as party general secretary and president. He added there is no possibility for the North Korean system to collapse at any early stage.

In his column entitled "Early Collapse of Kim Chong-il's System Is a Fantasy," which was carried by the 3 August edition of SANKEI SHIMBUN, Professor Okonogi claimed Kim Chong-il's health is unstable, but his succession to power is certain. He also feels the greatest difficulty facing Kim Chong-il's system will be the third round of DPRK-U.S. talks slated for 5 August in Geneva.

Request for Contact With North Koreans Rejected

SK0408105394 Seoul YONHAP in English 1032 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—The South Korean Government on Thursday decided not to approve a plan of the Southern promotional headquarters of the pan-national conference to have contacts with North Korean delegates abroad.

The Southern headquarters said it hopes to have contacts with Northern delegates of the pan-national conference in a third country to prepare for the fifth pan-national conference tentatively slated for Aug. 13-15.

"We have decided not to approve the plan because the pan-national conference is a political event straying from a pure private unification movement," a unification board official said.

"The conference, therefore, is judged to be of no help to the improvement of South-North relations."

DPRK, Russia Establish First Joint Venture

SK0408031794 Seoul YONHAP in English 0259 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—North Korea and Russia have set up a trading company in the North Korean Free Economic Zone, the first joint venture in the area, ITAR-TASS reported Wednesday [3 August] from Pyongyang.

The company was registered in Russia on March 3 with 100 million rubles in charter capital and reserve funds, according to the Russian news agency.

The shareholders also include Uzbek, Ukrainian, American, Swiss and Austrian businessmen.

The joint venture plans to facilitate trade between Russia and North Korea via such North Korean seaports as Najin, ITAR-TASS said.

Aleksandr Matsegora [spelling of name as received], the head of the new company, told the news agency that the joint venture aims to cooperate with North Korean enterprises in producing a variety of goods for export to other countries.

The company is backed by North Korean enterprises and "the North Koreans consider us to be a serious partner and expect to have lasting relations with us," ITAR-TASS quoted Matsegora as saying.

"According to businessmen, South Korea is hampering the development of the economic area... South Korea is probably interested in keeping the zone for itself in the future and therefore is blocking other countries' access to it," Matsegora claimed.

The company's main partner is reportedly the North Korean Committee for Foreign Economic Cooperation.

Japanese-Sponsored Tours to DPRK To Resume

SK0408020294 Seoul YONHAP in English 0057 GMT 4 Aug 94

[Text] Seoul, August 4 (YONHAP)—Japanese tours to North Korea will resume on Aug. 22 after being suspended in June 1993, signalling a possible opening by Pyongyang following the death of President Kim Il-song.

Included in a North Korea excursion package offered by a Japanese travel agency is an unprecedented tour of domestic industrial firms and joint ventures.

In addition, representatives of nearly 10 Japanese travel agencies which had never offered North Korea tours before went on a four-day fact-finding trip to the North from July 2 at the invitation of the state-run Korea International Tourist Corp. This appears to indicate a positive North Korean stance toward attracting Japanese tourists.

According to tourism circles here Thursday [4 August], "THE KOREA (CHOSON) TIMES," a pro-Pyongyang daily published in Tokyo, recently reported that two groups of Japanese tourists were due to depart for North Korea on Aug. 22.

One group organized by Jugai Tourist Company will stay in North Korea six nights and seven days, visiting Pyongyang, Mt. Myohyang and Kaesong. Another group from Moranbong Tourist Company will take a five-day tour which includes visits to joint ventures, local enterprises and collective farms. Both groups fly to Pyongyang via Beijing.

Jugai Tourist Company, according to the report, is currently negotiating with the North Korean side on plans calling for a direct Nagoya-Pyongyang air route beginning in September. Moranbong Tourist Company plans to organize two more tours for groups visiting North Korean industrial facilities departing in October and November.

Moranbong is also working on package tour programs with an emphasis on scenic spots, cuisine, historic relics and ancient tombs of the Koguryo Dynasty.

Tourism sources are taking note of the resumption of Japanese tours to North Korea as this will be the first time Pyongyang has received foreign travelers since Kim Il-song's death. Moreover, it may signal a policy of more openness in external relations on Pyongyang's part.

THE KOREA TIMES report mentioned that Japanese tourists are again being allowed to visit North Korea "after various difficulties have been overcome."

DPRK Seeks South Investment in Najin, Sonbong

SK0408024094 Seoul YONHAP in English 0155 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—North Korea is seeking active investment by South Korea, the United States and Japan in its development plan for Najin and Sonbong, which is set to start in the latter half of this year, scholars here said Thursday [4 August].

Dr. Chong Mu-nam, director-general of the Farm Management Bureau at the Rural Development Administration (RDA), and Dr. Kim Yu-sop, RDA International Cooperation Division director, revealed the North's position after participating in a symposium on economic development in Northeast Asia from July 17-26 in Jilin Province, China, sponsored by Jilin University.

During the symposium, Dr. Chong had a seminar with three North Korean scholars—Yi Haeng-ho, director of the Institute of World Economy and South-South Cooperation at the Academy of Social Science (ASS), Mun Song-won, director of the Committee for the Promotion of External Economic Cooperation, and Kim Hyong-kil, a senior ASS Researcher. Five Chinese scholars also attended the seminar.

It was the first seminar between South and North Korean scholars since the death of North Korean President Kim Il-song in July 8.

According to Dr. Chung, the North Koreans called for South Korean investment in the Tumen River Basin Development Project, insisting the project is essential to economic cooperation and exchanges among Northeast Asian nations.

The North Koreans also disclosed that their country is amending 16 laws in an effort to guarantee free economic activity in Rajin and Sonbong and plans to focus its investment on infrastructure such as transportation, Dr. Chong said.

The communist country will push ahead with its open-door policy at its own pace and attempt to develop Rajin and Sonbong to the level of Hong Kong and Singapore, though it does not accept western-style opening and reform, Dr. Chong cited the North Koreans as saying.

A total of 30 South Korean agriculturists, 60 Chinese and 100 scholars from the United States, Japan, Russia, Taiwan, Hong Kong and Mongolia attended the symposium.

Report on DPRK Defectors, Kim Chong-il

OW0408032494 Tokyo AERA in Japanese 8 Aug 94 pp 13-15

[Article by AERA editorial staffer Keiji Kobayashi: "The ROK Uneasy Over the DPRK's Secrets: Secretary's Health Poses Bigger Problem Than Five Atomic Bombs"]

[Text] An old saying has it that rats are the first to flee a sinking ship. A recent rapid increase in the number of those seeking refuge from the DPRK may indicate that the tight controls of the system have begun to loosen, to say the least, although this may not portend the DPRK's collapse.

In that sense, a news conference of important figures who defected from the DPRK is worthy of note. Messrs. Kang Myong-to and Cho Ming-chol met the press in Seoul on 27 July on the anniversary of the Korean armistice. In differing from those who had previously defected from North Korea, Kang is a son-in-law of Prime Minister Kang Song-san—the third-highest ranking official in the DPRK—and he is a relative of Kim Il-song on Kim's mother's side; and Cho belongs to the superelite class, for he is the second son of a former construction minister and a sitting member of the Supreme People's Assembly. Figuratively speaking, top-level crew members have begun to abandon ship.

Defectors, prior to making a public appearance, undergo a thorough interrogation at the National Security Planning Agency [NSPA] (the former Korean Central Intelligence Agency). Cho defected on 18 July, a day before the scheduled funeral of President Kim Il-song. Kang, however, was said to have arrived in Seoul in May, which means that he underwent interrogation by the NSPA for a full two months.

Countering the Tacit U.S. Approval of the DPRK's Past Suspected Nuclear Development Program

In explaining how severe the interrogations are, a former high-ranking KCIA official said: "Defectors are asked the same questions three to four times at one-week intervals. If their answers differ slightly from their previous one, it is assumed that they are probably telling lies."

Prior to meeting with the mass media, the complete content of the statements are examined thoroughly and rehearsed beforehand. They will undergo a full session of anticipated questions and answers.

Thus, it is natural to assume that the conference on 27 July was intended to draw attention to the suspicions of the DPRK's nuclear development program.

Kang gave the shocking testimony that "the DPRK has already completed manufacturing about five nuclear bombs, and it is going to announce that it possesses nuclear weapons when it reaches its target of 10 bombs," saying that he heard this personally from the supervisor in charge of security and guards at the Yongbyon nuclear complex.

Without making clear how much knowledge the man in charge of the complex possesses or whether the man is in a position to know these secrets, the testimony simply conveyed the words that the defector had heard.

The ROK Government is assumed to have "a certain intention" in releasing such information which ordinarily would not be released due to insufficient proof.

The ROK Government has been strongly opposed to the United States' proceeding in its talks with the DPRK without dispelling the suspicions concerning the DPRK's previous nuclear development program. The DPRK's possession of several nuclear bombs would amount to a small threat to the United States but would be a menace to the ROK.

Japan is in the same position as that of the ROK. Prior to the resumption of talks between the United States and the DPRK, the ROK Government might have intended to hold the United States in check, under the apprehension that the United States may give tacit approval to the past suspected nuclear development program. The remarks of the two defectors included several interesting points, despite such political intentions. Cho, as the son of a high-ranking official, graduated from Namsan High School and the Kim Il-song University, and worked as an instructor at that university until his defection. He said: "I have led an easy life, in ashamedly not knowing the hardships suffered by the people. As a scholar, however, I have had opportunities to analyze the DPRK's system and have come to the conclusion that it is wrong." The direct reason behind his defection seems to lie somewhere else, but his remarks suggest that a lack of belief in the present system is beginning to appear even among elite intellectuals.

DPRK Strongly Denies Defector Kang's Connection With Its Prime Minister

Kang explained the reason why former Vice Premier Kim Dal-hyon, who was considered as belonging to the reformist group, fell out of favor: "When he was given the authority over the management of economic policy, he cut the power supply to munitions factories by 30 percent and supplied it to coal mines instead. Because of this, he was severely reprimanded by President Kim Il-song, and he was placed under surveillance." This was a great surprise to me, because President Kim Il-song was reported to have judged Kim Chong-il's policy of giving priority to the military economy as hampering the North Korean economy as a whole and thus to have ordered a shift to the government-led economy at the end of last year.

With regard to Kang, the DPRK on 28 July issued a statement that "Prime Minister Kang absolutely is not related to him."

It is presumed that the same measure has been taken as was the case for Ko Chong-song, a nephew of Yi Sam-no—a DPRK delegate in the negotiations with Japan—who defected to the ROK in June of last year.

Secretary Kim Probably Suffers From Serious Diabetes

When Ko, a son of Ambassador Yi's younger sister, was found participating in an antiestablishment movement, the DPRK Government forced his parents to divorce, thus liquidating the uncle-nephew relationship. In order not to harm Prime Minister Kang, who is a relative of the president, Kang's marriage to Prime Minister Kang's daughter is presumed to have been caused to end in divorce to make him a nonrelation. He thus was disinherited, and this is a typical North Korean method of preventive measures to protect the family from being persecuted.

Both men did not say anything about the biggest mystery concerning Secretary Kim Chong-il—his health. But when I met in Seoul a high-ranking ROK official close to President Kim Yong-sam, he said, "The most worrisome factor in the future of North Korea is the health of Secretary Kim Chong-il, the successor to Kim Il-song. On television news reports, he appeared to have hollow cheeks and a blank look, and I do not think he is in good health." This official must have certainly obtained all this information about Secretary Kim's health through the NSPA, and he appeared to possess important classified information about the secretary's deteriorating health.

There is a rampant rumor in Seoul that Secretary Kim is suffering from serious diabetes and that Chinese specialists have been summoned three times this year for consultations. His condition is so bad that his internal organs may be suffering complications.

With regard to his domestic movements, Secretary Kim has been reported as having attended extremely few activities this year. According to a survey by RADIOPRESS, in the approximately six months up until his death, the aged President Kim Il-song was reported to have engaged in on-the-spot guidance and the like on 50 occasions. Meanwhile, Secretary Kim Chong-il was mentioned only five times, including his meeting with Ho Chong-man, senior vice chairman of the General Federation of Koreans [loyal to the DPRK] in Japan. Compared to typical years, this number of appearances is extremely small. Furthermore, Secretary Kim did not speak at Kim Il- song's memorial service.

Kim's Health Poses a Grave Problem Between the North and South

Some interpreted this as conforming to the Confucian tradition that the chief mourner utters no words. However, as the responsible man of the state, he missed the most opportune occasion to demonstrate his presence to the nation and the world.

He also did not show up at "the central report meeting on the occasion of the 41st anniversary of victory in the Fatherland Liberation War" on 27 July.

Because both the president and the secretary did not attend the meeting last year, this was viewed as a preplanned routine, but many view his absence this time differently because the occasion fell during an unusual time, immediately after the president's death.

Secretary Kim Chong-il's anticipated assumption of the posts of general secretary of the Workers Party and head of state is being delayed. Because of this, some believe that Secretary Kim Chong-il, who dislikes meeting foreign leaders, is adamantly refusing to become the head of state.

Most people, including the two defectors, consider the transfer of power to Secretary Kim Chong-il to be solid because it was worked out over a lengthy period of time.

Secretary Kim Chong-il lacks his father's charisma, and more work and activities will be demanded of him than were demanded of his father, in order to retain the people's trust. Even if Kim Chong-il succeeds to power smoothly, his health is the DPRK's biggest political problem, and it may directly affect the "security" of the ROK.

*DPRK Undergoes 'Agricultural Support Movement'

942C0170A Seoul NAEWOE TONGSIN in Korean 12 May 94 pp e3-4

[Text] Stressing the importance of supporting agriculture, this year North Korea has sought to reinforce support for farms more than ever through what it calls the Agricultural Support Movement.

For the spring farming season, idle manpower at factories and industry was mobilized and formed into farming support groups and sent out to reinforce cooperative farms. Rakes, sickles, hoes, and other farming tools were collected, and granaries in three counties of Hwang Nam Province, such as Chung Dan County, received 500 tractors and 250 vehicles (on March 17th) in Kim Chong-il's name. Meanwhile, on April 29th, Pyong Nam Province, Pyong Won County, the Won Hwa Cooperative Farm and other places, sent farming equipment in Kim Il-song and Kim Chong-il's names. Frontline administration and factory workers came out to join the delivery procession.

But, according to recent defectors from the North, in spite of these efforts by North Korean officials to appease farmers, the response from farmers of co-op farms all over has been "factory workers are more of a burden than a help and are unwelcome..." and show no enthusiasm whatsoever for this latest movement.

In cooperative farms of all areas of North Korea city workers sent out as part of the agricultural support movement are unwelcome because they create a financial burden and there has been an unending problem with larceny. Specifically, whenever city workers are sent to reinforce a cooperative farm, the city or county Farming Management Committee has to deposit into the worker's bank account 30 percent of that worker's factory wage for each day that laborer works on the farm. Thefts of rice, cereal, and grain are frequent, and everything from seed to cattle are stolen and eaten. As a result, rather than being seen as assets, these workers are viewed with skepticism and seen as a liability.

Seoul 'Will Not Negotiate' With U.S. on Cars

SK0408020994 Seoul THE KOREA TIMES in English 4 Aug 94 p 8

[Text] The Korean government made it clear officially yesterday that it will not open the car market further for the time being despite continuing demands from the United States to do so.

Assistant Minister of Trade, Industry and Energy Chang Sok-hwan said that the Seoul government will stick to its car market opening program which it presented to the United States in a meeting of the Korea-U.S. Economic Cooperation Council held in Washington last June.

According to the program, the rate of customs duties on foreign cars will be lowered from 10 percent to 8 percent, acquisition taxes will be unified, part types subject to approval will be cut from 38 to 28 and restrictions on the number and floor space of showrooms will be abolished.

Nonetheless, the United States Tuesday renewed its call upon Korea to open the car market wider.

In a letter sent to Minister of Trade, Industry and Energy signed by U.S. Trade Representative Mickey Kantor, the United States requested that the rate of customs duties on foreign motor vehicles be lowered to 2.2 percent and special excise taxes and registration taxes be unified and cut.

The United States also called for the abolition on the ceiling of foreign investment in Korean financing companies which provide loans to car buyers and for approval of foreign businesses to set up their own discount financing firms. At present, foreign investment is limited to 49 percent of Korean financing companies' stock.

In a meeting with reporters at the ministry, Chang said that the Korean government does not see any need to hold additional negotiations with the United States to improve the present institutional system concerning tariffs and taxes for the liberalization of the car market.

He said that even the United States imposes a 25 percent tariff rate on foreign commercial vehicles and the European Union levies a 10 percent rate on all foreign cars.

He also said that it is a common practice in the world for internal taxes such as special excise tax and registration tax imposed on cars to be differentiated in accordance with their engine capacity. He emphasized that such taxes are equally levied regardless of domestic or foreign cars.

However, he said that the Korean government does not oppose further negotiations with the United States to change the negative feelings of Korean people about owning foreign cars in order to expand their sales.

He chiefly attributed poor sales of foreign cars in Korea to people's misunderstanding that foreign car buyers are subject to gruelling tax investigations.

Noting that the car market opening program forwarded to the United States is the final and best offer, he stressed that the Korean government will not negotiate with the United States on its new demand under any circumstances.

Contaminated U.S. Wheat Distribution Alleged

SK0408021294 Seoul THE KOREA TIMES in English 4 Aug 94 p 3

[Text] Pusan—Local police are investigating the distribution of thousands of tons of imported wheat containing excessive amounts of toxic chemicals as edible products by two Pusan-based companies.

According to police investigators, Taesong Flour Co., is believed to have sold 4,535 tons of wheat imported from the United States as suitable for human consumption even though sanitation authorities determined otherwise.

They said the Health-Social Affairs Ministry conducted tests on samples of the imported wheat January last year and found excessive presence of harmful toxic insecticides and labelled it as only fit as animal feed.

Test results showed that the wheat contained an average of 6.617 ppm (parts per million) of a methyl compound used in pesticides whose permissible limit is 0.05ppm, the investigators said.

Taesong officials, however, allegedly made it look on paper like it sold the wheat to a certain livestock farm and instead sold the entire bulk as edible products last January and April, violating virtually every sanitation rule in the books.

Aside from Taesong, Singukdong Flour Co. is also facing charges of failing to abide by ministry regulations by distributing the imported wheat containing large amounts of insecticides as suitable for human consumption.

The investigators said Singukdong sold 700 tons to Taesong, apparently in the knowledge that it would be sold as other than animal feed, thus making Singukdong responsible for the criminal act.

Taesong turned around and drafted documents indicating that 355 tons had been sold to a livestock farm. Subsequent inquiry found that the farm had not purchased any wheat from Taesong.

Police said there is also some 2,600 tons of wheat of the same quality that have yet to be accounted for and are looking into the possibility that Singukdong officials themselves sold it for human consumption.

The wheat is part of some 12,000 tons imported from the United States early last year by four companies and found to be containing unacceptable amounts of the methyl compound.

Taesong and Singukdong managed to get their portions out of customs late last year after signing documents promising that the wheat would only be distributed as animal feed.

Firm Signs Contract To Export Software to U.S.

SK0408073294 Seoul YONHAP in English 0707 GMT 4 Aug 94

[Text] Seoul, Aug.4 (YONHAP)—Goldstar Electronic Co. signed a contract Thursday to export its newly developed Technology Computer Aided Design (TCAD) software to the world's leading semiconductor development company, Technology Modeling Associates (TMA) of America, a Goldstar spokesman said.

Under the contract, Goldstar will receive 100,000 dollars in proceeds and royalties amounting to 28 percent of total sales of products adopting its SPICE Interconnect Modeling System (SIMS) from TMA on a permanent basis, the spokesman said. SPICE stands for Simulation Program Integrated Circuit Emphasis.

SIMS, a circuit editing machine which can design a circuit connecting more than 100,000 transistors on a semiconductor chip, allows semiconductor designers to recognize characteristics of certain parts of a chip within 30 seconds, the spokesman said.

Goldstar poured 1 billion won into developing SIMS over the past four years, said the spokesman, who boasted that SIMS could replace 7 billion won worth of imports annually and penetrate the world market reaching 30 billion won per year.

Dr. Baik Jun-ho of the Goldstar Electronic Laboratory, who led the system's development, said, "SIMS is the world's first system combining the circuit editing and interconnect modeling systems to design semiconductor chips, although there already existed separate circuit editing and interconnect modeling software systems.

"The development of SIMS reduces the time needed to design a semiconductor chip by one-third by allowing accurate and speedy designing which also considers the effects of interconnection," said Baik.

TMA is the world's leading company in the fields of design, development and distribution of semiconductors and software, according to Goldstar, which became the seventh firm to enter into a technological tie-up with TMA.

The American company, which controls more than half of the world's semiconductor design and software market, has technology tie-ups with International Business Machines (IBM), Texas Instruments (TI) and other top semiconductor manufacturers, the Goldstar spokesman said.

Moscow, Seoul Agree to Russian Debt Repayment

SK0408020094 Seoul YONHAP in English 0132 GMT 4 Aug 94

[Text] Moscow, Aug. 3 (YONHAP)—Russia has offered to repay South Korean loans totaling 650 million U.S. dollars in the form of civilian and military hardware—not in cash—and Seoul has basically agreed in principle, defense industry officials here said Wednesday [3 August].

The hardware Moscow offered to supply includes MIG-29 aircraft, S-300 interceptor missiles and other state-of-the-art Russian weapons, as well as machinery and electrolytic copper.

The agreement is a compromise between Seoul's demand for repayment in cash or in kind and Moscow's insistence on repaying the loans in military hardware.

As Russia's foreign debt has been continuing to increase, South Korea has had no choice but to accept the offer, informed sources here said.

Seoul will send a high-powered mission to Moscow as early as late August to settle the loan repayment issue.

The principal and interest on the commodity loans Russia secured from South Korea years ago amounted to 650 million dollars at the end of June and will exceed the 800-million-dollar level by year's end. Russia will repay at least 100 million dollars of this amount in military hardware, one of the officials said.

Although Moscow has offered to provide any weaponry Seoul wants, South Korea would have problems introducing Russian arms because of its U.S.-dependent weapons systems.

Moscow has reportedly asked Seoul to acquire Russian weapons in large quantities, but South Korea is opposed in view of its military relations with the United States. Instead, it is interested in obtaining small quantities of the latest Russian equipment, such as MIG-29 fighters, for the purpose of studying North Korea's weapons systems which are heavily dependent on Russia.

In addition to the commodity loans, Russia owes South Korea for cash loans totaling 1 billion dollars, which began maturing last may, to oblige Moscow to repay 100 million dollars twice a year, in May and November, over the next five years.

Negotiations Under Way on Weapons

SK0408063894 Seoul YONHAP in English 0444 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—The Defense Ministry said Thursday [4 August] that negotiations are under way with the Russian Government on its offer to repay part of South Korean loans in the form of weapons.

The negotiations are focusing on what weapons should be introduced to the country because Russian arms systems are basically different from South Korea's, a ministry official said.

The difference could pose a serious problem to the maintenance and repair of Russian weapons once they are introduced because of the difficulty in acquiring spare parts, he added.

The government will make a final decision on the matter at a meeting of related ministers in September after consultations with the U.S. Government, in view of the heavy dependence of the country's weapons systems on American systems, the official said.

Russia has offered to repay South Korean loans totaling 650 million U.S. dollars in civilian and military hardware, and the government has reportedly agreed in principle.

* Kim Yong-sam 'Troubled' Foreign Policy Viewed

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[By reporter Song Mun-hong: "Foreign Policy in Disarray Causing Divided Public Opinion—an In-Depth Analysis of Kim Yong-sam's Governing Ability"]

[Text] — The president bears the responsibility for showing basic directions to cabinet members in charge of foreign policy and national security, and for overseeing and coordinating them when they differ in their views. Especially, in the international community today in which summit diplomacy is increasing in importance, it is a fact that the notion "a president need not be a foreign policy expert" no longer reflects the whole truth.

"'Is North Korea changing?' I asked this question to President Kim Yong-sam at his news conferences on three consecutive occasions recently. First, it was at the 6 January New Year press conference in which President Kim made a statement that 'There are signs of change in North Korea.' It did not quite convince me, so I asked him what specifically prompted him to make that conclusion. 'I cannot give you specifics now but they will be known sooner or later,' said the president, parrying the question.

"The second time was at the 25 February press conference marking the first anniversary of his administration. In his answer to my question this time, the president said 'North Korea is changing, as we see in its acceptance of IAEA inspections.' North Korea, however, rejected inspection for its radiochemical laboratory suspected by the international community to be a nuclear reprocessing facility. Then came the 'sea of fire' threat from Pyongyang. And President Kim at his 22 March press conference vehemently denounced North Korea. 'I thought that North Korea was changing but it was not. Its sole objective is to preserve its dictatorial, communist regime.'

"It will not be just me and the South Korean people who are apprehensively concerned about such confused responses by the president in the past 3 months. I had asked the same question to President No Tae-u on several occasions while he was in office. Now, I cannot but conclude that the new government is following in the footsteps of its predecessor by using the same language indiscreet of its ambiguities."

The above is an excerpt from an article by Masaharu Shimokawa, Seoul Bureau chief of the Japanese daily MAINICHI SHIMBUN for 5 years until his return home in early April this year. The article, printed in the daily's 19 April edition, focused on differences between the hard-liners and moderates in South Korea over the North Korean nuclear issue. It was talked about much for a while by people inside and outside of the government concerned with the issue.

According to a senior official in the Ministry of Foreign Affairs [MFA] who is a Japan expert, "it is very unusual for a Japanese paper to print an article critical of the ROK Government." Traditionally, he said, Japanese media have refrained from carrying articles criticizing South Korea; even when they do, intended criticism was so subtly buried between lines that readers could hardly notice it at a first reading.

The New Foreign Policy of the Kim Yong-sam government has long been a focus of domestic criticism, and now even foreign media seem to have joined in it. Many foreign correspondents in Seoul would say that they "find it simply impossible to make either head or tail of the South Korean government's nuclear policy."

"That Kim Is Not Versed in Foreign Policy Is Common Knowledge"

A year and 3 months have passed since the start of the Kim Yong-sam government. Launched at a premium as a civilian government, it has done many things on domestic fronts. Its popularity at home has been exceedingly high.

However, in the domain of foreign policy, an "extension of domestic administration," it hit the snag called the North Korean nuclear issue in its first days and has been drifting ever since. The nation's foreign policy has been dogged by the nuclear issue for more than a year now. In addition, there have been other repercussions from Uruguay Round negotiations and complications over the North Korean logging workers issue. Not a single day has passed in peace.

As a matter of course, the foreign and national security policy team came under fire. But the situation apparently has not yet reached a point where the president is asked to personally account for the "diplomatic failure or confusion." A staff member of a research institute serving as a think tank for the government asked this reporter: "It is common knowledge that President Kim is not versed in foreign policy, is it not?" According to him, it is unreasonable to try to lay the blame on President Kim—who, as an opposition leader for decades in the past, had no access to classified information—for the nuclear issue that has gone round and round in circles and made little progress over a year. A legislator of the ruling party also said that "the president need not be an expert on everything. It is the foreign policy team assisting him that should be blamed for problems, if any."

Under the presidential system, however, all responsibilities rest with the president, who is the highest decision-making authority. Although the president need not be an expert on foreign policy and national security issues, it is his responsibility to show basic directions to the cabinet members in charge, overseeing and coordinating them when they differ in their views. In the international community today, especially, in which summit diplomacy to resolve complex diplomatic issues through direct contacts between heads of state is increasing its importance, it is a fact that the notion that "a president need not be a foreign policy expert" no longer reflects the whole truth.

In President Kim's case, however, he is under fire because he himself caused policy confusion with a series of contradictory remarks. First, here is a list of such controversial remarks by the president:

The President's Contradictory Remarks

—"No ally could be more important than the nation. No ideal, no ideology could bring greater happiness than the nation can. If President Kim Il-song should indeed attach greater importance to the interests of the nation and desire the genuine reconciliation and unification of the compatriots of the North and the South, we can meet at any time and at any place to discuss it." (In the inaugural speech, 25 February 1993)

—"The national-security goal of the new government is not to be hostile to North Korea or to isolate it but to embrace it as our brethren and to open a new age, the age of a unified Korea." (In the commencement day address at the Military Academy, 5 March 1993)

—"Let me make it clear that we cannot after all shake hands with an adversary having nuclear weapons. When it is proved that North Korea has no nuclear weapons, we and the international community will extend positive assistance to it, and coexistence and coprosperity will become reality." (At the press conference marking the 100th day of his administration, 4 June 1993)

—"The United States should make no further concessions in negotiations with North Korea. North Korea is using stalling tactics to make preparations for war." (In interview with BBC TV, 25 June 1993)

—"North Korea is shrewdly using negotiations with the United States to gain time for nuclear weapons development. I hope that the United States will not be dragged around by North Korea at the high-level talks being resumed in Geneva in 2 weeks. North Korea will be able to produce enough plutonium to build several nuclear bombs by early next year. There is not much time left." (In interview with THE NEW YORK TIMES, 2 July 1993)

—"I hope that over the nuclear issue, North Korea is not provoking a U.S. response similar to the one that Iraq did." (In interview with CNN, 9 July 1993)

—"It should not be a summit for the sake of summit. And there are no reasons why I cannot meet with President Kim Il-song. For that, however, several matters under discussion have to be resolved first." (In reply to a question on the possibility of a 1994 summit at the New Year press conference, 6 January 1994)

—"I will push for a North-South summit with President Kim Il-song even before transparency of the North Korean nuclear program is secured, if it is determined that it will help halt the nuclear program. If the summit materializes, economic cooperation and all other problems concerning reunification as well as the nuclear issue will be discussed in depth." (At the press conference marking the first anniversary of his administration, 25 February 1994)

As the general flow of these remarks indicates, the president's had taken a posture suggesting a significant shift in North Korea policy until his press conference on the 100th day of the new government. Past that day, however, he began shifting back to the hard-line policy gradually, stressing the need for national security efforts as never before during his inspection tours of military units and meetings with commanding officers.

The change could reflect the fretfulness over the nuclear issue defying the government's efforts for resolution. In the eyes of the public, however, the president would appear to be saying one thing now and another thing next. Especially, whenever the government goes back and forth between a tough position and conciliatory gestures, the tough-liners and dialogue advocates inside and outside of the government come up with their cases, attacking the government. And in that turmoil, the public becomes even more confused.

In particular, after stating at his New Year press conference that he is not for "a summit for the sake of summit," the president reversed it at another press conference, the one marking the first anniversary of his presidency. Of the series of his remarks, this one sparked strong public criticism. The fact that the nation's top executive reversed his word in a matter of a month or so prompted serious concerns over whether our government has a firm principle.

President Kim "reversed his word" again recently. It was when he spoke on a measure concerning North Korean logging workers. On 1 April, the president said that he had no intention of bringing the defectors to South Korea because doing so could stir Pyongyang; however, less than 2 weeks after that, on 13 April he reversed his position, saying he would bring them in.

Commenting on the development, Chong Chong-uk, senior presidential secretary for foreign and national security affairs, denied that the president ever reversed his word. Chong said: "Reporters quoted the president's remarks out of context, which seems to have led to the misunderstanding."

Kim Yong-sam's Summit Diplomacy Lacks Substance

Public opinion continued to be critical of the series of summit meetings, too, which President Kim held since he took office. In a nutshell, critics said that the fanfare was high and loud but the results were disappointing. The latest such criticisms were about his visits to Japan and China. They charged that the president voiced the wrong priorities in the wrong places, contending that he stressed the importance of a joint response to the nuclear issue in Japan where he should have given priority to economic relations, and, focusing on economic issues during the China visit that where priority should have been given to exploring a breakthrough in the nuclear issue.

Summit diplomacy is increasingly important these days and, as a result, diplomatic ability is becoming a vital factor in the qualifications of the heads of state. President Kim's case came under extensive fire in this area, too. The 26-30 March China visit also unleashed a great deal of backbiting in its wake. The highlight was happening-type remarks by Hwang Pyong-tae, ambassador to China.

On the evening of 29 March at the Press Center, Ambassador Hwang told reporters that "the ROK-China talks on the North Korean nuclear issue signaled a change in the old style of diplomacy. Seoul used to go through practical consultations with Washington first, then inform China of the results and request its cooperation. From now on, however, it has been decided that the ROK will also hold consultations with China from the beginning and act together. Our diplomacy should come out of its lopsided emphasis on the United States and Japan." Immediately after that, however, Chong Chong-uk, the senior presidential secretary, came to the Press Center to flatly deny what Ambassador Hwang had said. Chong said: "What Ambassador Hwang has just said is a misstatement. It is in part factually incorrect. It does not represent the government's position either."

Needless to say, the happening sparked heated controversy at home, some wondering how an ambassador could have made such an important statement that could signal a major foreign policy change, others lamenting the way diplomats make a show of themselves even in a foreign country and the lack of coordination on their part.

The question is how the Hwang statement at issue came about. Views varied among observers. Some argued that what the ambassador said was generally accurate and that since it in effect divulged sensitive diplomatic strategies, however, an effort was made to squash it, while others blamed the mix-up on a desire Ambassador Hwang to show off.

However, many were of the opinion that Ambassador Hwang is not the type of person to fabricate a story. A correspondent of a certain newspaper currently stationed in Beijing said as follows:

"Judging from the record of his days when he was a politician, it is basically unbelievable that Ambassador Hwang made that remark on his own without any authority. Evidently, there was a discussion along this line at the one-on-one summit between President Jiang Zemin and President Kim. It must have been President Jiang who led the conversations on that point, with President Kim listening. Ambassador Hwang perhaps disclosed the exchanges to reporters because they had been loudly complaining 'Why no releases on the summit? What in the world has come out of it?'"

In other words, according to this source, President Kim was drawn into the Chinese logic at the summit, and this led to the confusion among his aides.

The China visit brought on many other criticisms, too. The president had to face criticism that he allowed the Chinese side to prevail over the nuclear issue, the top issue, shifting away from the original line which was pushing for a UN Security Council resolution and toning it down to a statement of the Security Council chairman. He was accused of a lack of self-reliance in the conduct of nuclear diplomacy. There was another thing, although minor, pointed out about the visit. Customarily included in the presidents' foreign tours in the past were events involving overseas compatriots; in the China visit, however, no such event was even considered for the itinerary out of deference to the Chinese government sensitive to matters of minorities.

Even in the economic cooperation area where the visit officials said they had been successful with accords on joint aircraft development and communications network projects, there were complaints that the president failed to obtain Chinese concessions on key points. In the auto industry alone, the summit in the end settled for "joint production of parts" as demanded by China persistently, not the "finished-car joint production" as we proposed. Thus, on everything, "agreements" were reached only by accommodating Chinese demands, they said.

Since it was a state visit, there should have been a "give and take" of appropriate gifts between the two sides. President Kim made little gains, however, except the signing of a cultural agreement and a dual taxation prevention accord as prepared by working-level officials. Korean businesses operating in China were reportedly particularly unhappy that the two countries again failed to sign an airline agreement, which has been under discussion for years now.

There were a great deal of complaints voiced after the 6 November, 1993, Korea-Japan summit in Kyongju, too. At the time, President Kim and Prime Minister Hosokawa defined—from a future-oriented position—the meeting as "a new beginning of an effort to establish a correct perception of the history of Korea-Japan relations; however, over such issues as Korean women forced to serve as prostitutes for Japanese soldiers and Korean men drafted as laborers during World War II, all that the president obtained from Japan was a verbal expression of apology, granting Japan a "pardon" at that but not making it pay for its acts materially. He had to face criticism whatever the pretext, the president's action showed that he is not following the national sentiments as he should.

Kim Yong-sam, "An Unfinished Reagan"

However, in respect to President Kim's summit diplomacy style, aides are unanimous in rating it positively. According to them, the president has the ability to correctly grasp the key points of issues in a short time. Not only that, they say, but also he is the type to take a direct approach to issues.

Rep. Chong Chae-mun of the ruling Democratic Liberal Party [DLP], chairman of the National Assembly committee on foreign policy and national unification, was cautious commenting on the president's diplomatic activities, saying that he has "his distinct principles and his own vision, but aides seem to be failing to give him the assistance he deserves." He asked back to this reporter: Of the opposition leaders since 1985, including Kim Tae-chung and Kim Chong-pil, who was as vigorous as President Kim in their diplomatic activities? In those days, he visited the Soviet Union twice and developed close ties with German Christian Democrats and U.S. Democrats. He was more active than anyone else, cultivating his diplomatic sense, Chong said.

Meanwhile, the ratings of President Kim by foreign leaders are also said to be quite positive. As the head of the first civilian government in decades, and as the president who carried out sweeping reforms in the first months of his administration, he seems to have impressed foreigners deeply. According to a Chongwadae secretary, President Kim can speak some English and his hearing ability is pretty high. He would sometimes point out the interpreter's minor errors, on numbers, for instance.

A Mr. Kim, who was his interpreter at the summit of the Asia Pacific Economic Cooperation Conference in November last year, said that he was particularly impressed with the president's dignified and confident attitude. Other Asian leaders appeared not quite comfortable with the "American way" of free discussion; Chinese President Jiang Zemin in particular was seen reading out from prepared notes despite a prior suggestion by President Clinton that leaders bring no notes to the conference hall. President Kim, however, played a leading role, speaking actively, the interpreter said.

But many other interpreters complained that the president's expressions in "our language" are often difficult to understand. In a summit meeting in which conveying accurately the meaning of what is said is most important, "vague and grammatically incorrect" and "characteristically Korean-style" expressions would pop up in the president's language, often to their embarrassment, they said.

In this vein, a veteran diplomat obliquely expressed his concern about the president's speaking style by saying that "language is the greatest weapon in the diplomatic arena. There is no need to say that it is important." On diplomatic fronts of the post-Cold War era where economic pragmatism is increasing its weight, the impact on national interests from an ambiguous wording or inadvertent slips by a president could trigger widespread repercussions, he added.

Of President Kim's diplomatic ability, it is a fact that the negative ratings are higher than positive ones. A political reporter covering the president's activities since he was DLP chairman said:

"Then-DLP Chairman Kim Yong-sam first said on return from a visit to Russia in 1991 that 'now the danger of war is gone from the Korean Peninsula.' Nowadays, with the nuclear issue deadlocked and people talking about the danger of another Korean war, I frequently think of his words then. Frankly speaking, I hope that there will be no such thing as a North-South summit while he is president, because I think that he would very likely be 'taken in' by the wily Kim Il-song at such a meeting."

Meanwhile, a professor teaching American politics at a university said:

"Among the U.S. Presidents, Reagan, Carter and Nixon had their own individuality. In Reagan's case, he himself never had extensive knowledge on things but he effectively used people. He was a man of decision and carried his decisions through to the end. By contrast, Carter is an all-round person but had to suffer bitter affronts during his term as he tried to deal with everything by himself. As for Nixon, Nixon himself was a man of ability and he also had outstanding aides under him like Kissinger; as a result, he was seen as having the strong points of both Reagan and Carter.

"In my view, I think that President Kim is a Reagan type in personality. As such, however, he doesn't seem to be making the most of his strong point. If he is to find a place in history as a great president, he should remember what he himself said a long time ago—'You may borrow the brain but not the health.'"

Logging Workers Issue Shows Diplomatic Level

A president's diplomatic ability can be measured by how effective he is in managing and coordinating his foreign and national security policy team. It is precisely in this area that the new government can hardly escape criticism that all it has demonstrated was total confusion.

Besides the above-mentioned case of Ambassador Hwang's comment to the press, instances of conflicting remarks by officials in the foreign and national security policy areas and of inter-agency differences are countless. Among them is the controversial remark by Hong Sun-yong, vice foreign minister, in a private seminar of assemblymen at the Academy House in Suyuri on 1 April, suggesting withdrawal of the planned exchange of special envoys between North and South Korea as a precondition for a three-stage North Korea-U.S. high-level talks. Although Hong's remark was "endorsed belatedly" by the government in an official announcement in mid-April, outside observers blasted his action in disclosing a major strategy of the government prematurely.

The confusion over the nuclear issue finally led to the resignation of Prime Minister Yi Hoe-chang on 22 April and to political strains in its wake. The trouble could be traced to the Prime Minister's Office staff meeting on the previous day at which Yi Hoe-chang instructed ministers concerned to "clear with the prime minister prior to implementation even if it is a measure already referred to and coordinated at a meeting of the newly-created Unification and Security Policy Coordinating Council.

The issue of North Korean logging workers in Russia is another example showing the government's shortsightedness and clumsy handling. After President Kim reversed himself and stated that he would let the defectors come to South Korea, officials began moving in such a hurry as if they could bring them in right away. On return from a visit to Russia on 13 April, Foreign Minister Han Sung-chu even told the press at the airport, "As a result of my talks with Russian Foreign Minister Kozyrev, it has become possible to have them repatriated here directly even if they are not given the refugee status through the United Nations. Now, it is possible that they arrive before the end of April, if all goes well."

But the general opinion was that it was not the kind of issue that could be settled so quickly and that there was no need for haste in the first place. It was an extremely sensitive issue involving North Korea, China, Russia and South Korea. Therefore, It was an issue that could be resolved successfully only by handling it as quietly as possible—and by doing so, lightening the burden on Russia and China. To prove it, Russia made its position clear recently that "we will have no alternative but reconsider the repatriation issue if it is given further prominence in Korea." A professor at a university, specializing in international law, said as follows:

"In the logging workers issue, the time through to our government's policy decision on it constituted a crucial phase. No one in the government paid attention to it during that time, however. Once the public opinion seethed and the president decided in favor of their repatriation, the issue should have been handled as quietly as possible by working- and technical-level officials; nevertheless, both the government and media made a hubbub. In other words, they handled it the wrong way from the beginning to the end. They are talking about 'New Diplomacy' but, in my view, they are far from it."

A middle-level official in the National Unification Board [NUB] emphasized that in finding ways to bring the defectors here, special attention should be paid to the fact that if they fall in the hands of North Korean public security authorities, their lives will be endangered. Whatever noise we make here would not help solve the problem. It would rather endanger them, he said.

The same official also spoke up and said that he had been frequently disappointed at the MFA's attitude toward the logging workers issue. According to him, no one in the MFA seem to be enthusiastic about it on grounds that it is potentially a risky and contentious matter. He asked back: An attitude like that shows that our foreign policy has no firm principles, does it not?

The fact that President Kim reversed himself in his remarks concerning a North-South summit and the logging workers issue prompted criticism that the president is apt to see foreign policy and national security issues in the same light as he looks at domestic political matters." A president should stick to his principles as long as he believes he is right after all, even if it means his facing criticism from people. In President Kim's case, however, he is too sensitive to the trends of public opinion, a fact making him unable to view matters from a broader point of view.

Agency Egoism Another Cause of Policy Confusion

Observers largely agree that conflicting views voiced by ministries and agencies over diplomatic issues are primarily caused by agency egoism. First, the NUB, for its nature, naturally focuses on North-South dialogue. According to a working-level official in that agency, "the prevailing view in the NUB is that the two issues, nuclear and economic cooperation, should be handled separately." It is because such separate handling will strengthen the NUB's position.

On the other hand, the MFA puts greater weight on international cooperation as a way to resolve the North Korean nuclear issue. Consequently, the degree of its reliance on Washington inevitably is high. Thus, it takes a more positive stance than other ministries for a linkage between the nuclear and economic cooperation issues. Meanwhile, the Agency for National Security Planning [ANSP], for the nature of its work to date, tends to take a hard-line position. In the case of the Prime Minister's Office, it always is faced to the possibility of its basic function—"administrative coordinating"—overlapping with the NUB's "controlling and coordinating" function when it comes to matters concerning North Korea. The recent drama of Yi Hoe-chang's resignation as prime minister was, in a way, the result of Yi's attempt to preserve his office's coordinating function intact.

Finally, the Chongwadae office of presidential secretaries for foreign and national security affairs is most sensitive to public opinion trends at home and abroad. Consequently, one may say that it has been showing a pattern of shifting to and fro depending on developments, rather than holding to one position consistently.

In respect to these agencies in charge of North Korea policies, the National Government Organization Act provides that the deputy prime minister [DPM] for unification affairs [and concurrently NUB minister] controls and coordinates North Korea policies. However, as the fact that this post already has changed hands twice since the start of the Kim Yong-sam government, it is generally considered difficult to expect the NUB to perform its prescribed "role." The reason: It has a budget less than one tenth of the MFA's, plus has to rely almost a hundred percent on the ANSP for North Korea intelligence. Thus, it basically has no "capability" to do so.

In this connection, many express skepticism over the Unification Policy Coordinating Council created in early April. The council, created by the president's direct order—in response to the mounting criticism of the policy confusion within the government—and made up by the DPM for unification affairs, the MFA minister, the minister of national defense, the ANSP director, the secretary general of the Office of the President, and the senior presidential secretary for foreign and national security affairs, meets weekly on Fridays to coordinate policies relating to the nuclear issue. A researcher at a government-run research institute said as follows:

"It is like putting a fifth wheel to the coach, for we already have the Unification-Related Ministers Council (chaired by the DPM for unification affairs), the High-Level Strategy Council (chaired by the prime minister), and the National Security-Related Ministers Council (chaired by the president) and these are left intact. Also, the fact that the Chongwadae secretary general sits in as an official member could signal the president's intent for direct management; however, as long as the 'powerless' DPM for unification affairs remains the figure head (chairman) of the new council, I find it difficult to expect any significant change."

He even said that "under these circumstances, we might as well follow the suit of other countries by either removing the NUB and upgrading the MFA minister to a DPM to have him manage unification affairs concurrently, or shoring up the NUB to have power both in name and reality to perform its role and prepare for reunification."

Meanwhile, in the matter of information circulation within the government, the MFA is under fire. Currently, the MFA, as the principal ministry in the handling of the nuclear issue, is the receiving point for most of the information relating to it. And the criticism is that it frequently misses the right time in analyzing vital information because of its "egoism," said a national defense source.

This source continued: "The MFA daily receives all types of information from the U.S. State Department, the International Atomic Energy Agency (IAEA), and ROK foreign missions the world over. As far as information on the nuclear issue are concerned, some say that the MFA has an advantage over the ANSP. Meanwhile, inside the MFA, only a handful of people are working on the nuclear issue, including several working-level officials assigned to American affairs, the director of the American Affairs Bureau, the ambassador assigned exclusively to the issue, as well as the MFA minister.

"It seems that the MFA is not properly using information it receives. Only by comprehensive analyses can individual pieces of information find their places, and a whole vitally important picture emerges.. But the MFA, preoccupied with fragmentary information received daily, is committing the error of 'seeing the trees but not the wood.' It tends to miss the time in preparing a response, often falling into confusion when North Korea abruptly makes an unexpected move. It is a case of the traditional bureaucratic elitism combined with agency egoism in a negative fashion."

True Nature of the Nuclear Issue

Then, what is the true nature of the North Korean nuclear issue, the "culprit" that drove the Kim Yong-sam government's New Foreign Policy into a quagmire over the last year? And why has the government's nuclear policy come under such fire?

The issue came to the fore on 12 March when North Korea declared its withdrawal from the Nuclear Non-Proliferation Treaty (NPT). At the time, the international community, which found discrepancies between the results of the temporary IAEA inspections between May 1992 and March 1993 and the first North Korean report submitted to the IAEA (dated 4 May 1992), was trying to pressure North Korea into accepting special IAEA inspection of its two unreported facilities. Pyongyang responded with an extremist measure, the NPT withdrawal declaration, plunging the issue into a long, long tunnel.

A little more than a year has passed since then but the picture has not changed a bit. The international community including South Korea and the United States, after brief confusion following the North Korean action, took the issue to the United Nations, and this led to the statement of the Security Council chairman of 11 May 1993. But there was no sign of a settlement in sight.

On 12 May, North Korea made it clear that it will accept an additional IAEA inspection (for its Yongbyon radiochemical laboratory which the IAEA missed in its previous inspection in early March) and a follow-up inspection (to replace batteries for the sealing device to ensure continued nuclear safeguards for the 5-megawatt reactor). But it staunchly opposed the taking of samples by inspectors from fuel rods of the 5-megawatt reactor, bringing on a new dispute.

Using its "old trump card," that is, additional inspection and follow-up inspection, and "new trump card," namely, fuel rods replacement, North Korea is persistently demanding that the proposed three-stage North Korea-U.S. high-level talks be held first. In short, a year has passed but there has been absolutely no progress in the key area—the question of assuring transparency on the nuclear development program.

In some quarters, criticism is mounting. They question what in the world our government has done all these days clinging to the nuclear issue. In reality, however, because of the nature of the issue, South Korea's ability to resolve it independently is only limited. Currently, North Korea and the United States and IAEA are playing the leading parts and South Korea a mere supporting role in the "North Korean Nuclear Dispute" drama. In the process, North Korea, the "super star," is attempting to push South Korea, the supporting player, out of the stage. And it appears that its effort has been successful, so far at least. In other words, options for South Korea have become narrower as time passed by.

Need to Confirm True U.S., N. Korean Intentions

Prof. Yun Tok-min of the Foreign and Security Affairs Research Institute, who has been monitoring developments in the North Korean nuclear issue in the past few years, emphasized that we should take another look at Pyongyang's true intentions. Whether it is using the issue as "a trump card for a diplomatic deal" or to "gain time for actual nuclear development," one thing is clear: In respect to the state of development prior to May 1992 when IAEA inspections disclosed the "major discrepancy" between the quantity of plutonium which North Korea alleged to have extracted for experimental purposes (90 grams) and the IAEA estimate (7-21 kilograms), Pyongyang has shielded it as a "sanctuary" for no one to touch and very likely will continue to do so in the future, he said.

All issues North Korea proposed for negotiations after its NPT withdrawal declaration were about the "continuity of nuclear safeguards" only dating back to May 1992. Moreover, it kept cutting issues in thin slices for more bargaining chips. From that point of view, Prof. Yun predicted, Pyongyang will ultimately reject the gathering of samples at the time of fuel rods replacing. It is because such samples, when analyzed, can produce significant details of development prior to May 1992.

A North Korea researcher at the National Unification Research Institute said that North Korea has been consistent in its strategies. Pyongyang had proposed a nonaggression accord with the South and a peace pact with the United States in the early 1980's. In the light of its South Korea revolution strategy, this means, he said, that when it signed the "Agreement on Reconciliation and Cooperation, Nonaggression and Exchanges" with the South in December 1991, Pyongyang decided that the nonaggression pact had been achieved, and that it has been working to leave out South Korea deliberately in the battle over the nuclear issue since last year. What is now left for them to do is to sign a peace agreement with Washington. Pyongyang is thus persists in its strategy to get the United States to take its hands off the Korean Peninsula, he observed. The circumstances surrounding North and South Korea have substantially changed since the 1980's. Also, feasibility of such strategy is doubtful. However, the point is that away from these factors, North Korea has been consistent with its strategies and tactics.

Many researchers are unanimously say, that to understand the true nature of the nuclear issue, it is also important to know the intention of the United States, another star in the drama. It is necessary, they say, to correctly perceive where Washington puts more weight—the security of the Korean Peninsula or the preservation of a global NPT regime. The NPT regime, facing renewal procedures in March next year, represents a top priority in the Clinton Administration's post-Cold War era foreign policy.

An American expert emphasizes that the Korean government should pay attention to this fact. His point is that we should understand that the United States as the world leader in the post-Cold War era views the North Korean nuclear issue from the interest of continuation of the global NPT regime rather than that of the security of the Korean Peninsula.

This can prompt fears that North Korea and the United States may strike a secret deal, leaving out South Korea. One cannot rule out the possibility, for instance, of a deal in which the United Sates, "while giving North Korea its approval of the plutonium it already extracted (in other words, letting North Korea possess one or two nuclear bombs), makes Pyongyang abandon further nuclear weapons development (in other words, prevents it from going to mass production of nuclear arms)." This "one bomb scenario" was actually discussed in U.S. media and in some quarters in and out of the Administration on an on-again, off-again basis. It even led to a call for withdrawal of U.S. troops from Korea under the pretext that North Korea already has one or two nuclear bombs (even if it is crude bombs of a primitive form) and that therefore, Korea is already a dangerous zone.

Commenting on ROK-U.S. relations over the nuclear issue, a political scientist said as follows:

"Early last year, a civilian government, the first in decades, was launched in Korea and a Democratic administration, the first in 10 years, took over in the United States. It was when a post-Cold War order was emerging globally. The circumstances provided us with a golden opportunity to begin with a clean slate and restructure ROK-U.S. relations. It fizzled out, however, as we ran against the snag called the nuclear issue. The government consistently relied on Washington, and this led to further weakening of the government's stand."

Government's Perception of the Issue

The North Korean nuclear issue is a complex mixture of technicalities of nuclear power and dynamics of international politics. As a result, it is in fact difficult for general citizens to grasp its entire picture. Public opinion has been torn asunder in the swirl and confusion has continued.

Criticism voiced against the government policy over the issue can largely be divided into two categories—one representing the conservative approach advocating hardline responses and the other representing the progressive, moderate position. Hard-liners accuse the government of having done nothing but make concessions to North Korea while seeking a "settlement through dialogue" over the last year; in contrast, moderates charge that the government has driven the situation in a direction which is keying up the tension.

First, let's take a look at the government's position. In his above- mentioned speech on 1 April to legislators of the ruling and opposition parties at the Academy House, Vice Foreign Minister Hong Sun-yong said, in part:

"I understand that a considerably large number of people are critical of the government, questioning why we have been dragged on by North Korea. Their point is that the North Korean side is always just demanding and our side always yielding to their demands. However, in the government's position seeking to resolve the nuclear issue through international cooperation, it is absolutely necessary that we have China on our side. In my view, therefore, what we have done to date was in part an effort to advance our cause to gain China's support.

"I know that the government has been under fire for shifting back and forth in the conduct of foreign policy. Basically, it was because we pursued a combination of hard-line and moderate approaches.

"It boils down to two elements after all, carrot and stick. In this regard, sanctions mean tightening the noose through 'blockade,' while 'dialogue' means making North Korea open up and become a member of the international community. Our strategy is not for just one of them but a balanced use of the two, you may say. The government, after all, cannot but be 'firm in the principle and flexible in the ways and means' of its responses."

Meanwhile, at a special private lecture meeting on 28 April, Foreign Minister Han Song-chu said: "We are not satisfied with the present situation, but this does not mean that it is altogether unfavorable for us. We still have all possibilities; we could force a freeze on the North Korean nuclear program and at the same time advance our cause seeking sanctions." He also cited a few "perceptions among people that are far from realities"—first, that Washington's position on the nuclear issue is tougher than Seoul's; second, that China is seeking to exploit the issue to advance its interests, and third, that North Korea gained much through its effective nuclear diplomacy.

The foreign minister said: "In my experience, the U.S. and ROK perceptions of the nuclear issue are quite similar. In March last year (when North Korea declared its withdrawal from the NPT), as the new U.S. administration was yet to launch its full operations, our conceptions exerted great influence on the U.S. side. Even after that, whenever Washington came up with a tough position, we never tried to block it. In other words, the ROK-U.S. cooperation machine has been working fine.

"Second, in some points, the existence of the North Korean nuclear issue is seen as profitable to China. While this notion is stronger on the U.S. side than on our side, the issue in fact is a double-edged sword for the Chinese standpoint, too. If China should exercise its veto in the United Nations, it would directly lead to U.S. refusal of the MFN (most favored nation) status. Consequently, China is expected to endeavor to keep the confrontation from escalating to UN sanctions.

"Third, some people say that North Korea belittles the South and the United States and that that is why its Panmunjom delegate made the 'sea of fire' remark. What they say, however, is nothing more than a whimper of the weak. In fact, North Korea gained nothing from its play with the nuclear trump card."

Meanwhile, in an interview with this reporter on 27 April, NUB Vice Minister Song Yong-tae commented on the 15 April government decision to withdraw the special envoys exchange plan. He said:

"After the eighth working-level contact on the proposed exchange of special envoys broke off on 19 March because of the North Korean delegate's 'sea of fire' remark, some fundamental questions were raised within the government. In the future, the government will conduct North-South dialogue on four principles—search for settlement between the parties concerned, seek settlement between the authorities concerned, pursue productive dialogue, and demand implementation of what has been agreed on. The government feels that from now on, dialogue should be a substantial and productive one rather than one in mere form.."

"War is the Result, Although it Should Not Be the Goal"

Then, what was the government's North Korea nuclear policy in the eyes of the so-called hard-liners over the last year? Their biggest complaint is that the government has been dragged on by Pyongyang's negotiating strategy. With regard to its professed carrot-and-stick policy, they insist that the government put "more weight on carrot than on stick" and that it should have been the other way around, "more weight on stick than on carrot." Especially, they argue, whenever calls for a tough response gain strength in the United States, the foreign minister flew to Washington and silenced the calls. An official in the Ministry of National Defense said the following:

"In a way, when calls for a tough response gain strength in the United States, it means that U.S. engagement with the ROK are that much stronger. In other words, the U.S. commitment to the security of the ROK is that much firmer. On the other hand, did the government ever think about the consequences in case moderates take over in the United States and keep making concessions to North Korea, eventually putting us in a decidingly dangerous situation?"

"War is a result, although it should not be a goal," said the same official. According to him, if our nuclear policy should cling—as its supreme guide—to the notion that there should be no war on the Korean Peninsula, there would be, speaking extremely, no way of preventing a situation in which we are forced to "surrender" to North Korea just to avoid a war.

A researcher of a government-run research institute, stressing that he is not a hard-liner but a "fundamentalist," observed that "those making policy decisions concerning the North Korean nuclear issue confused national interests with state interests from the beginning." "National interest," he said, is a concept based on what should be done to see that all the 70 million Korean people have a happy life. North-South economic cooperation belongs to that category. On the other hand, "state interest," he explained, is based on state sovereignty, and the nuclear issue, for instance, belongs to it. Under the circumstances where it is a reality that two states exist on the Korean Peninsula, nuclear weapons constitute a factor which is putting North and South Korea on a collision course. To which should a state give priority, to the security of the people on its territory or to the interest of the [70 million Korean] nation despite the suspected nuclear arms development by the other state? The answer should be obvious for responsible state authorities, he said.

The same source pointed out that it was a basic mistake that the government—which had put forth the two key lines, North-South dialogue and international cooperation, from the beginning in seeking a settlement on the nuclear issue—approved of the North Korea-U.S. direct talks in June last year (the first-stage high-level talks). Until then, Seoul had demanded that any North Korea-U.S. contacts be made through Seoul without fail. At the time when the direct talks got under way, the national-interest logic prevailed among our officials. "There is nothing we lose even if North Korea and the United States engage in direct dialogue," they asserted, according to the source.

Especially, once the government decided to go that way, it should have at least stayed the course. It failed to do so, however, said the same source, alluding to the fact that the government later came up with the special envoys exchange plan as a precondition for the North Korea-U.S. high-level talks. According to his interpretation, the plan reflects the state-interest logic that "we find it embarrassing that the ROK is left out of the North Korea-U.S. talks."

"War Is a Synonym for Bankrupt Foreign Policy"

By contrast, the theory held out by dialogue advocates is that "if South Korea and the international community give North Korea what it is after with a nuclear program, it will give up the program." Under the present circumstances where the socialist bloc led by the former Soviet Union and East European communist states is long gone and the gap of national strength between South and North Korea widened to more than 10 to 1, Pyongyang is using the most inexpensive method, the nuclear program, to preserve its present regime, improve its relationship with the United States and, through it, to have an economic recovery; if the South gives North Korea assurances of these things, it can make it give up its nuclear program, they assert. The mood among Democrats and other members of U.S. society reportedly favoring the package-deal plan presented by Pyongyang in the North Korea-U.S. talks is based on this logic.

Those advocating the dialogue also insist that although the Kim Yong-sam government has since its start continued to say that it is against an absorption-type reunification as seen in the German model, and that it will positively help North Korea become a member of the international community, it actually has pursued the strategy of containment and pressure against the North through the international community, demonstrating dualism. Following is a comment by a young political scientist in a government-run research institute:

"The government, ostensibly committed to a policy seeking step-by-step reunification, surreptitiously has pursued a program designed to pressure and suffocate North Korea to its fall. This fact came to light when Han Wan-sang resigned as DPM for unification affairs late last year. Han had tried in vain to correct dualism in the North Korea policy since he joined the cabinet and had to quit in the face of stiff defiance by the conservative Establishment."

North Korea will continue to use North-South tensions as a means to preserve its regime and secure its legitimacy, should this containment-and-pressure policy based on "strength" be continued. As a result, the political scientist noted, the pains from the division likely will double and the danger of a war will aggravate as the tensions continue rise. In a nutshell, he was saying that government authorities still cling to the old, Cold War era way of thinking characterized by a zero-sum game. Thus, he asserted, they hang on to such notions as "a profit for North Korea is a loss for South Korea" and remain unable to come up with a new policy vision worthy of the post-Cold War era.

Rep. Cho Sun-song, DLP, said that "Nuclear weapons are politically meaningless unless they are backed up by a second-strike capability. Therefore, there is no need to drive North Korea into corners when there is no pressure for time." According to him, if the issue is taken to the UN Security Council, and if China should exercise its veto, the result would mean a total failure of our diplomatic efforts. Commenting on voices from some quarters that we should be prepared for a war, Rep. Cho said as follows:

"In the past, Clausewitz said 'War is a tool of foreign policy.' But in modern society in which war only means mutual destruction, 'war is a synonym for bankrupt foreign policy' and nothing else. Therefore, our responses should be based on the premise that Pyongyang is only using its nuclear program as a form of blackmail and that it actually has no intention to go to war."

There is another view also insisting—but from a different standpoint with the champions of dialogue—that there is no need for any hard-line responses. It is based on the so-called general-trends theory that the North Korean society is already on the decline, that it will collapse before succeeding in nuclear development even if it is left alone. It was published recently by Francis Fukuyama, a Japanese-American political scientist, in a journal based on his eschatological theory. According to the author, the process of disintegration can be accelerated more effectively through such steps as U.S.-North Korea rapprochement rather than by any tough-line measures.

Four Problems of Our Foreign Policy

Another political scientist, however, pointed out that there are logical pitfalls entrenched in the theories of both sides, the hard-liners and dialogue advocates in their protracted, incessant disputes. He said as follows:

"The hard-liners insist that we should respond to the North Korean war threat with a show of resolve. Lurking behind their argument is an unverified faith—If we come out firm, how could the North dare touch off a war?' The same thing can be said about the advocates of dialogue. A look at Pyongyang's behavior in the past indicates that we simply cannot believe that 'the North will abandon the nuclear program if it is given what it wants.' All this shows that we have been, in effect, engaged in an unproductive debate after all, from conflicting positions and logic.

In the swirl, harsh criticisms have been leveled at the government by both the hard-liners and advocates of dialogue. A North Korea expert said that in pursuing its basic strategy—seemingly a combination of carrot and stick—the government continued to present wrong alternatives at wrong times. A Chongwadae secretary, meantime, acknowledged errors made in the public information area dealing with policy matters.

Large parts of the above-listed criticisms from the two camps, hard-liners and dialogue advocates, perhaps are based on their respective positions and logic, one being conservative and the other progressive. It is unlikely that the present foreign and national security policy team is unaware of this loophole in their critical standpoints. But a great majority of people following developments in the North Korean nuclear issue point out that away from the charges "tinged with shades of colors," the government's diplomatic style deserves much criticism in the working-level and specific aspects, too.

Rep. Cho Sun-song lists four flaws in our foreign policy: one, lack of consistency; two, want of creativity; three, absence of self-reliance, and four, deficiency in philosophy.

He said: "Consistency is required in diplomacy, a principle given the greatest emphasis by Francis Nicholson in his classic work, 'Diplomacy.' But our diplomacy, in which not only the foreign minister but also the president would change their words frequently, has failed to win the trust of the people. This has something to do with its lack of self-reliance, and to prove it, the government has no nuclear policy of its own and largely relies on the United States and is even influenced by China from time to time.

"Also, a lack of creativity is evident in our diplomacy, which refuses to review the nuclear policy in a new light but continues to follow old policies. Because of this weakness, the government takes only a narrow view of things in its crisis management involving such matters as the nuclear issue. For instance, the present government has maintained the policy of linking economic cooperation to the nuclear issue; by doing away with such linkage, however, it will be able to expect what international political scientists call 'spillover effect.' In other words, by blowing an outside wind into the North Korean society can we inspire some positive change in it.

"Finally, suppose that this government has acquired the first three things, then comes the question whether it will have its philosophy for the reunification age worthy of the post-Cold War era."

In respect to the nuclear policy appearing often confused, a senior political scientist attributed it to structural flaws in the present foreign and national security policy team. In the U.S. case, there is the National Security Council in the White House and the national security adviser conducts overall coordinating on foreign policy, sometimes exercising greater influence than the secretary of state. In our case, his equivalent is the senior presidential secretary for foreign and national security affairs at Chongwadae but the problem is that the present secretary in that post is the youngest of the team made up of scholars. Meanwhile, it is not likely that the newly-created Unification Policy Coordinating Council will take over his role. He is concerned about this point, said this political scientist.

In an oblique criticism of Foreign Minister Han Sung-chu's style, a middle-class official in the MFA said:

"In the MFA, some complain that the minister is talking too much. It seems that the fact that he keeps writing in newspapers is not received very well either. (Minister Han contributed articles on foreign policy to TONG-A ILBO dated 7 April and CHOSON ILBO dated 13 April.) In foreign countries, it may be that newspaper columns are sometimes used as a diplomatic means to let the other side know about intents of the author's side; frankly speaking, however, in our case we have not reached their level yet, I think."

An ex-official who served in a high Chongwadae post in the Sixth Republic even said that "the way Foreign Minister Han is so busy shuttling, as if he were a roving ambassador, is not in the interest of the organization after all." According to him, the more frequently the head of an organization is absent from his office, the greater the chance of trouble in that organization.

Diplomatic Failure Is President's Failure

In general, many of those critical of President Kim's conduct of diplomacy pointed out that his foreign policy perception is not beyond the domestic political levels. What they mean is that the policy line frequently swayed in the wind of public opinion. On this point, however. some are "sympathetic," contending that it just shows the "limitations" of a president who had been for decades a masses-oriented politician. Meanwhile, when Yi Ki-taek, chairman of the Democratic Party, announced his plan to visit North Korea, he encountered similar criticism.

However, it should be noted that it definitely is extremely perilous to bring considerations of domestic popularity or domestic political interests into diplomatic contests involving major national interests, in particular into deliberations of the nuclear issue, an issue directly linked to national security. Rep. Cho Sun-sung said as follows:

"In a lesser power's diplomacy, there should be no party-line distinction between the ruling and opposition parties. If we had gone bipartisan in our unification policy at least, from the beginning of this government, we would be much better off now. We could have been unexpectedly successful because, when the U.S. Democratic Party was an opposition party for 10 years in the past, our Democratic Party then was relatively close to it. When this government took over, however, it even discontinued the practice of the NUB minister briefing the opposition once a month. In the foreign policy area at least, it backpedaled."

As far as the North Korean nuclear issue is concerned, this year will prove to be both more important and perilous than the last. It is because the United States will try to bring the NPT renewal in March next year to a successful conclusion at all costs. This means that a breakthrough for resolution of the issue must come one way or another by December this year. Also, North Korea reportedly is constructing a 50-megawatt reactor to put it into operation next year, in addition to the existing 5-megawatt reactor, whether for mass production of nuclear arms or as a bargaining chip in negotiations.

The development demands that our government redouble its diplomatic efforts. About the past instances of policy confusion, let bygones be bygones; further disarray, however, can hardly be tolerable, many of the critics say. A diplomatic failure is after all the president's failure.

Rights To Develop Part of Pacific Seabed Secured

SK0408020594 Seoul THE KOREA TIMES in English 4 Aug 94 p 1

[By staff reporter Choe Won-sok]

[Text] Korea has secured the right to develop natural resources on the sea-bed in the open sea in the Pacific Ocean off Hawaii.

The United Nations yesterday named Korea a "pioneer investor" with the sole right to develop mining products in an area covering 150,000 square km in the Clarion-Clipperton (C-C) sea bloc, 2,000km southeast of Hawaii, the Ministry of Trade, Industry and Energy announced.

Korea was awarded the right to mine natural resources in the area in accordance with the U.N. Convention on the Law of the Sea which stipulates the joint development of mining products in the seas as the "common heritage of mankind."

The Clarion-Clipperton bloc is rich with manganese nodules which contain manganese, nickel, copper and cobalt.

According to the ministry, the area to be developed by Korea is embedded with 930 million tons of such mining products.

Korea is the eighth country to have officially secured the right to develop sea mining products from the United Nations. The seven other developers are France, Russia, Japan, India, China, Germany and the United Kingdom.

But nine more countries including the United States are taking part in the development of natural resources in the open sea with the acquiescence of the United Nations, but without securing its formal permission.

Korea has yet to donate $250,000 to the United States [as published] in return for the right to mine natural resources in the open sea, the ministry said.

Of the total 150,000 square km, Korea will freely choose a 750,000 square km spot in the area as its mining bloc for development after exploration over the next eight years and will return the remaining half to the United Nations according to Convention on the Law of the Sea, ministry officials said.

They predicted that the development of mining products in the bloc would be commercialized sometime after the year 2010 and would possibly be able to turn out 3 million tons per annum for the following 12 years.

Manganese, nickel, cobalt and copper to be developed will be enough to meet Korea's annual demand. Korea is entirely dependent on imports of them which annually cost $1 billion on average.

The Korean Government submitted officially its application to the United Nations in January this year.

Manganese is used in steel, fertilizers, batteries, nickel in aircraft parts, gas turbines, automobiles and cobalt in jet engines and permanent magnets.

Official Denies Reports on Reprimand for Election

SK0308121194 Seoul YONHAP in English 1019 GMT 3 Aug 94

[Text] Seoul, Aug. 3 (YONHAP)—A senior Chongwadae [presidential offices] official on Wednesday denied as "unfounded" the reports that some key ruling Democratic Liberal Party officials would be reprimanded in connection with the party's defeat in two of the three by-elections held Tuesday.

"We all strove to ensure fair electioneering in the by-elections and held the elections most fairly, adding momentum to election reforms," Yi Won-chong, senior presidential secretary for political affairs, said.

Therefore, there will be no reprimand or any other steps whatsoever that could reduce the significance of the by-elections, Yi said.

Newly Elected Legislators Comment on Victories

SK0408023894 Seoul THE KOREA TIMES in English 4 Aug 94 p 2

[Text] "The citizens of Taegu have restored the honor of both my husband Pak Chol-on and their own by giving me a landslide election victory," Hyon Kyong-cha of the minority New People's Party stressed early yesterday morning as her victory was confirmed in the Taegu Susong-A by-election.

Hyon continued that she wanted the Kim Yong-sam government to humbly accept the outcome of the three by-elections and realize the fact that this is what the people really want from it.

Saying that Monday was her husband's birthday, she added her victory would be her present to him.

Regarding her National Assembly activities, Hyon said she will devote herself to dealing with educational and environmental issues, adding, "I will do my best to create new politics and a new Taegu as well."

Hyon, 47, is a political novice who made up her mind to run in the by-election after her husband Pak, a former lawmaker from the Taegu district, was stripped of his National Assembly seat following the Supreme Court's conviction of him for bribery in late June.

"My victory will open the way for other district chapter chiefs of the main opposition Democratic Party in Kyongsang-to area to enter the National Assembly," said Yi Sang-tu who achieved a dramatic win against ruling Democratic Liberal Party candidate Yim Chin-chol in the Kyongju district.

Yi also emphasized that his election was not only a victory for the citizens of Kyongju but also for the DP.

"I would like to give deep thanks to officials of my district chapter and I will never forget their support during my Assembly term," he cried with joy.

He said if DP chairman Yi Ki-taek helps him gain a seat on the Transportation or Home Affairs Committees, he will exert all his efforts for the development of the thousand-year capital of the Silla Kingdom.

Yi emerged as a rising star of the DP because he captured his victory after a 30 year career as an oppositionist in a place which has long been regarded as a stronghold of the ruling party.

Yi thinks his election is all the more sweet because it comes after four futile attempts at gaining an Assembly seat. He began his political career in 1967 when he ran for the 7th general election as an opposition party candidate. He was 27 at the time.

"I feel very happy to win by a landslide. But at the same time, I also feel burdened because I know very well how important the Assembly man's role is," said Kim Ki-su who won by a comfortable margin in the Yongwol-Pyongchang district.

Kim said he made up his mind to run for the seat because he thought it was the the fastest and direct way to serve for his hometown. "I will do my best for the development of the area," he added.

Kim said it was the hardest work to change the old-fashioned election culture where money played a decisive role and ruling party candidates were supported by government officials.

The just-ended parliamentary by-elections, however, laid the foundation for "fair and inexpensive" elections in this country with the help of President Kim's strong will for it.

Kim, also a political novice, worked for the police and the government over 30 years and retired recently as vice-administrator of the National Police Administration.

Parties Differ on Views of By-Election Results

SK0408021494 Seoul THE KOREA HERALD in English 4 Aug 94 p 2

[Text] The three political parties, who shared equally the three parlimentary seats up for grabs in Tuesday's by-elections, agreed yesterday that the elections have paved the way for a revolutionary change in the nation's electoral climate.

The parties, however, gave a different interpretation of the election results.

Rep. Pak Pom-chin, spokesman for the ruling Democratic Liberal Party (DLP), said in a statement his party will accept in a humble way the voters' will reflected in the by-elections, implying the results are far short of the party's expectation.

Pak, however, pledged his party will continue to play the leading role in establishing a transparent electoral climate through future elections, even if such efforts result in the diminished possibility of its candidate being elected.

The major opposition Democratic Party (DP) asserted it was a virtual winner in this round of elections, boosted by securing the first parliamentary seat chosen from the Kyongsang Province, a traditional stronghold of the ruling party, since its founding in 1991.

"The government of President Kim Yong-sam has finally begun facing the real judgment of the people for the past one and a half years in power," said DP spokesman Rep. Pak Chi-won.

Pak, however, said the elections had all the more significant meaning as they showed the possibility of a clean and fair electoral culture taking root in the country.

Rep. Kim Su-il, spokesman for the minority opposition New People's Party, said the election of its candidate, Hyon Kyong-cha, wife of former lawmaker Pak Chol-on, should be understood as the voters' verdict on "the political reprisal" against Pak by the current government.

Kim demanded in a statement that the government respect the voters' will and release and reinstate Pak, a member of the party's executive council, who was deprived of his parliamentary seat in June after the Supreme Court convicted him of bribery.

'New Political Phenomena' Noted in By-Elections

SK0408021794 Seoul THE KOREA TIMES in English 4 Aug 94 p 2

[Text] The Aug. 2 by-elections in which money did not play a significant role bodes well for future elections and new political faces with aspirations for public offices.

In the National Assembly by-elections held in the Taegu Susong-a, Kyongju and Yongwol-Pyongchang districts, the spending of campaign funds reportedly fell short of the legal ceiling, a "revolutionary" change from the past practice where the spending of astronomical amounts of money guaranteed election.

This new political phenomenon is sure to open the door for many young political novices who have been long on ambition but short of money to enter in to the next elections.

Jumping on the bandwagon, the ruling Democratic Liberal Party [DLP] is considering sloughing off past practice of giving priority to "rich and seasoned" politicians over "new faces."

The DLP is expected to use the mayoral and gubernatorial elections, slated for June next year, as a test case and open its door wide for young political novices with name recognition, managerial skills, expertise and vitality.

The DLP's possible turn to a new nomination policy could in turn leading to a booting out of "old timers" from its Minjong and Konghwa factions.

A source inside the party revealed yesterday, "The party has had contact with some young prosecutors, lawyers, businessmen, scholars and journalists."

The ruling party has recently elbowed "old timers" Ms. Kim Chong- nye, Pak Yong-man and Yim Pang-hyon to the sidelines, an action taken as a prelude to a broader replacement of such people.

The party official noted, "The by-elections showed that 50 million won is enough for an election campaign. Accordingly, we see no reason why emphasis should be placed any longer on a candidate's financial status.

The winds of change in the political atmosphere is not only blowing through the DLP but also in the opposition Democratic Party [DP].

A DP officials aid, "It was a practice that the opposition party gave priority to the rich and those who struggled for democracy. But we see the writing on the wall that new faces can gain the people's trust."

Opposition Leader Hopes To Consolidate Forces

SK0408081294 Seoul YONHAP in English 0740 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—Encouraged by his party's good showing in the recent parliamentary by-elections, main opposition Democratic Party (DP) leader Yi Ki-taek is moving quickly to realize his dream of "a grand union of all opposition forces" through a reinvigorated party organization and leadership.

Yi revealed his plans at a meeting with the press Thursday after a DP candidate had captured the National Assembly seat from Kyongju District in North Kyongsang Province, where the DP's foothold is relatively weak.

During the get-together with reporters, Yi made it clear that he would push ahead with the grand merger of all opposition forces, combining the New Democratic and New Korea Parties as well as dissident groups.

"We should be prepared to assume power in a future government with the just-ended by-elections serving as momentum," he declared.

Yi exposed his ambition to challege for control of the nation after building up a strong leadership on his own through amendments to the party constitution and various regulations.

"The merger of opposition forces is the only chance for seizing power in the future," he asserted. "Any forces opposing this scheme will not gain the people's support and will be eventually helping the ruling party stay in power."

He hinted that he would exercise strong leadership by saying improper behavior that harms party discipline and blocks its expansion would no longer be ignored.

Although Yi is chief of the DP, its leadership is actually a collective system in which nine supreme council members decide major party policies.

As a result, Yi's scope of activity within the party is limited by the different opinions voiced by the supreme members, who in turn represent the various factions within the party.

Despite the problems arising from the collective leadership system, the party's victorious showing in one electorate in the latest by-elections provides a good opportunity for Yi to reorganize the DP, not to speak of pressing for an opposition merger.

The party's collective leadership was born at its national convention in March last year to fill the vacancy left by the retirement of former chief Kim Tae-chung after his defeat in the presidential race.

However, a party opinion poll conducted recently showed the collective leadership is not an effective system that can create a stronger party structure and help it assume the reins of power.

Indeed, the DP experienced a serious intra-party feud recently over the appointment of some National Assembly standing committee chairmen reserved for it. Factional strife between the so-called mainstreamers and non-mainstreamers is unlikely to cease as the party forges ahead in its present state, a key member confided.

Some DP members are keen to hold an early national convention to select a new party leadership, but the convention will most likely come in February as scheduled since the National Assembly will start its regular session in September.

Nevertheless, ambitious members are sure to intensify their "undersurface" activities in challenging for the top party posts in the months to come.

Police Uncover University 'Chusapa' Groups

SK0408114794 Seoul YONHAP in English 0920 GMT 4 Aug 94

[Text] Seoul, Aug. 4 (YONHAP)—A pro-Pyongyang activist group, which has mastermined "Chusapa" activities in university campuses across the country, and its subordinate body at Seoul's Korea University have been uncovered, the Seoul Police Agency announced Thursday.

The organizations, "Kimchongdong" (Youth League for Kim Il- songism) and "Feb. 16 Youths Meeting," respectively, are accused of manipulating "Chusapa" activists, the followers of the North's Chuche (self-reliance) ideology, who belong to such organization as Hanchongnyon (the Korea Federation of University Student Councils).

The Seoul Police arrested Kimchongdong's chief organizer, Cha Hyon-min, 27, a student in the master's course of the Korea University mass communications department, and nine others on suspicion of violating the National Security Law and handed over its leader, Kang Chin-ku, 26, a graduate of the Korea University history department, who is currently serving in the Army, to military investigators.

Police charged them of having manipulated the radical student movement behind the scenes by planting their functionaries in Hanchongnyon and Sochongnyon (the Seoul chapter of Hanchongnyon) in compliance with North Korean instructions aired by "the Voice of National Salvation," a North Korean radio specializing in anti-South Korea propaganda.

At the same time, police are searching for seven other key members of the organization, including Kim Taehyong, a 27-year-old graduate of the Korea University mass communications department.

Police explained that the pro-Pyongyang body was organized in December 1990 with the objective of instigating mass struggle and forming a united front for revolution in South Korea.

The group also spread the ideology of Kim Il-song at major universities and colleges across the nation while infiltrating labor unions in major industrial areas.

Prosecution Plans Investigation of Professors

SK0408091094 Seoul YONHAP in English 0819 GMT 4 Aug 94

[Text] Changwon, South Kyongsang Province, Aug. 4 (YONHAP)—The local prosecution has decided to investigate whether the Kyongsang National University professors who co-wrote the controversial textbook "How To Understand Korean Society" had anything to do with scholarships allegedly provided by North Korea.

The prosecution plans to summon four of the nine co-authors, who teach at Kyongsang National University in the southern city of Chinju, on Friday. If they do not appear before the prosecution as they said they would at Thursday's press conference, it will issue a second summons, the Changwon district prosecution said.

If they continue to ignore the summons, the prosecution will then bring them in by force, prosecutors warned.

The supreme public prosecutor's office said Wednesday it is investigating the professors after having concluded that a textbook they co-authored supports the communist theories of class struggle and a Bolshevik revolution.

"The prosecution decided to investigate whether the professors received scholarships from North Korea since prosecutors judged that remarks made by Sogang University President Pak Hong are reliable," a prosecutor said.

Pak recently caused a sensation by charging in an interview with a Japanese newspaper that a South Korean professor was invited to North Korea when he was a college student and even received a scholarship from the communist country.

Hyundai Strike Cools After Unionist's Death

SK0408055394 Seoul YONHAP in English 0543 GMT 4 Aug 94

[Text] Ulsan, August 4 (YONHAP)—The heated atmosphere created by the 42-day strike at Hyundai Heavy Industries Co. has cooled down noticeably in the face of criticism that the union's "reckless industrial action" resulted in the death of a unionist.

Commenting on the death Tuesday [2 August] of Ko Won-chin, 35, company management contended that he died of "fatigue accumulated through his participation in the strike."

Moreover, the striking union Thursday canceled a routine morning rally. All-night sit-in demonstrations by some 300 workers occupying a liquefied natural gas (LNG) carrier and a Goliath crane, however, are continuing.

The unionists put off other struggle plans including one calling for the dispatch of a delegation to Seoul, and called off all athletic meetings that had been held daily since the lockout began.

In the meantime, union members of Hyundai Precision and Industry Co. Ltd., who are in the 32nd day of an industrial dispute, Thursday had their 46th negotiating session with management while staging a four-hour strike ending at 4 P.M. Thursday.

Burma

Karen Rebels Shoot at Village

BK0108151494 Rangoon Radio Burma in Burmese 1330 GMT 1 Aug 94

[Text] Members of armed organizations from the jungles have been shooting randomly with large and small arms at villages and vehicles, intent on disrupting regional peace and tranquility.

At 0530 on 26 July, about four Karen rebels shot indiscriminately at East Awingyi village in Bilin Township. Due to this incident, three children of Daw Naw Naw were seriously wounded. Ma San Aye Mu, 3 years, succumbed to injuries at 1000 at Bilin Hospital; while Ma Thar Lepaw, age 17; and Maung Lay Mit, age 12, are being treated at Thaton Township Civil Hospital.

Archbishop Sent for Talks With Karen Leader

BK0408035194 London BBC in Burmese to Burma 1345 GMT 3 Aug 94

[Dispatch by correspondent Neil Kelly in Bangkok from the "Current International Affairs" program]

[Text] It has been learned that a top Christian priest held talks with Karen national leaders this week in an attempt to end attacks against the SLORC [State Law and Order Restoration Council] military government by Karen armed groups. It has been reported that Anglican Archbishop Andrew Mya Han was assigned by the SLORC to hold talks with the Karen leader, General Saw Bo Mya, at the Thai border. Neil Kelly reported on this from Bangkok:

The authorities disclosed that the archbishop left by plane for Bangkok, from where he proceeded to Karen territory at the border, where the Karens have been waging a guerrilla warfare for over 40 years. Although there have been cases of Christian priests playing the role of intermediary between the armed groups and the government in holding peace talks with ethnic organizations, this is the first time that the high-ranking religious leader is holding political talks with members of an armed organization.

Most of the Karen leaders are Christian and Gen. Bo Mya is a member of the Seventh Day Adventists. However, the majority of the Karen nationals are Buddhists and animists. Although there was no progress in the initial talks, the mission of the top Christian leader is seen as an attempt to remove mutual mistrust on both sides and (?to remove barriers).

The Karens wanted to hold the talks in the presence of a mediator in a third country, while the Burmese leaders insisted the talks be held within the country. In a letter to the ASEAN foreign ministers last month, Gen. Saw Bo Mya proposed that they encourage the Burmese leaders to carry out democratic reforms. However, it has been learned that the ASEAN foreign ministers have not made any response to his proposal.

Although Gen. Saw Bo Mya recognizes the need to hold talks with the Burmese Government, he believes that the cease-fire alone will not solve problems, and that all agreements must be based on democratic means and constitute part of a comprehensive plan to solve the political problem.

Than Shwe Addresses USDA Trainees

BK0208041994 Rangoon Radio Burma in Burmese 1330 GMT 1 Aug 94

[Excerpts] Senior General Than Shwe, patron of the Union Solidarity and Development Association [USDA], chairman of the State Law and Order Restoration Council [SLORC], and commander in chief of the Defense Services delivered an address at the opening ceremony of the USDA executives management training course no. 3/94 held at 0900 today in the Union Hall of the Central Public Relations Corps in Hmawbi. [passage omitted]

Speaking at the ceremony, Sr. Gen. Than Shwe said that today's training course is aimed at instructing the trainees in national political, economic, and social developments; in having a correct awareness, conviction, and objective; and in systems and procedures of office work, auditing, and organizational work to enable them to implement the objectives of the USDA. The objectives of the USDA—nondisintegration of the Union; nondisintegration of national unity; perpetuation of national sovereignty; promotion of patriotism in order to enhance national pride and heritage; and emergence of a peaceful and modern nation—are good in form and essence whether they are seen from the viewpoints of national politics, economics, or a social context. He pointed out that these five objectives can also be clearly seen as national duties.

Looking back at the events of 1988, Sr. Gen. Than Shwe said that factionalism was then rampant among the people from various social strata and national unity was in disarray. He said that as national unity waned, nationalism and patriotism declined among some people. He said that during that time of crisis the Defense Services had no choice but to shoulder the duty conferred by history by assuming all state duties. He said the USDA, which has since been formed, is the sole national force capable of meeting the need for strengthening national unity. He stated that this point is the most unique feature of the USDA. [passage omitted on the role of national unity in regaining independence from colonialists]

He said that constant efforts should be made to ensure the emergence of our beloved motherland as a peaceful, developed, and modern nation. He said that although political and social conditions are likely to change in the future, the five objectives of the USDA will never change. He added that, depending on the conditions of era and time, continued efforts would have to be made based on the five objectives. [passage omitted]

Continuing, Sr. Gen. Than Shwe explained that the Union spirit is different from narrow-minded racism based on egoism. He added that any schemes, words, or deeds detrimental to national unity should therefore be avoided. Sr. Gen. Than Shwe stressed the need for unity among the national races to prevent a disintegration of the Union and perpetuate national sovereignty. He stated that the country can prosper only when it is united and that if there is no unity among national races, they will fall into the trap of the neocolonialists.

He said the threat posed to national sovereignty and territorial integrity by the neocolonialists and their henchmen can, with some insight, be clearly seen. Furthermore, the instigations and incitements of the internal minions and followers of foreign powers can also be seen. He said that the trainees, who are members of the USDA—the sole national force which is capable of providing national security and perpetuating national sovereignty —are therefore to forever work hand in hand with the Defense Services to ensure that the nation remains modern, developed, stable and peaceful. [passage omitted on USDA involvement in national construction tasks and concluding remarks]

Cambodia

Tape, Photos Indicate Hostages Unharmed

BK0308111594 Hong Kong AFP in English 1032 GMT 3 Aug 94

[Text] Phnom Penh, August 3 (AFP)—Three foreign hostages being held by Khmer Rouge guerrillas were heard on tape Wednesday, as Cambodian Co-premier Prince Norodom Ranariddh said he was optimistic they would soon be released.

"We are quite optimistic, we know that they (Khmer Rouge) are willing to release them, that they don't want to keep them hostage," the prince told reporters.

Information Minister Ieng Mouly showed reporters photographs and played a tape indicating the westerners were alive and unharmed.

One photo showed the three standing bare-foot looking glumly into the camera while another showed the hostages sitting in a typical rural hut with a Khmer Rouge guerrilla standing outside.

The guerrillas seized the three tourists, Australian David Wilson, 29, Briton Mark Slater, 28, and Frenchman Jean-Michel Braquet, 27, following the attack on the train in southern Kampot province July 26.

The tape contained short, similar messages from each of the three hostages.

"My name is Mark Slater, 28 years old, from England. I was on the train from Phnom Penh to Kompong Som on Tuesday (July 26) with an Australian friend and a French friend. The train came under attack and we were taken hostage by the Khmer Rouge. We have now been held six days. The conditions are difficult. Don't listen to the government just do what you feel," he said.

Braquet said that the conditions were difficult but bearable. He hoped their families had been informed and that "someone was doing something for us."

The guerrillas had previously issued a ransom demand of 50,000 US dollars in gold for the release of each of the three, but it was not clear whether they were sticking to this demand.

"The Khmer Rouge are still looking for a ransom, but we are not sure how much they need," a police officer said.

Prince Ranariddh added: "They know well that they are not rich people."

"But about the ransom, I cannot make any statement. We have to examine this alongside the countries concerned," the prince said. "Our objective is to free those hostages, it is an absolute priority."

Australian officials said that Canberra would not meet demands for a cash ransom but might follow the example of an American aid organisation that recently secured the release of one of its aid workers kidnapped by the same group of guerrillas.

Food for the Hungry International (FHI) officials refused to pay a cash ransom for the release of aid worker Melissa Himes.

Himes, however, was freed after six weeks of lenghty negotiations when FHI agreed to give the guerrillas food, medicines and tools.

Ieng Mouly said the conditions of detention were rough for the three westerners, as they were being held in a guerrilla jungle base during the heavy monsoon rains.

"They are not used to staying in the jungle and they don't have enough clothes. I think they need more clothes," he said, adding that the authorities would try and send supplies to the hostages.

"It seems that one of the three is sick," he said, adding: "But it is good they can move in the area, they are not handcuffed."

The three were also being made to work, digging irrigation ditches in the paddy-field, officials said.

The guerrillas were also holding 10 Cambodians and three Vietnamese, government officials said.

Authorities Work To Confirm Health of Hostages

BK0408021094 Melbourne Radio Australia in English 0100 GMT 4 Aug 94

[Text] Cambodian authorities are trying to establish the conditions for the release of three foreigners, including an Australian, who were kidnapped by the Khmer Rouge nine days ago. [Correspondent] Sue Downie reports from Phnom Penh they are also attempting to determine whether the Australian hostage, David Wilson, is ill.

[Begin Downie recording] Based on photos and the cassette tapes sent out from the hostage site, Information Minister Ieng Muli believes Wilson may be sick. The minister is hoping today to confirm the health status of all three Westerners—Wilson plus Briton, Mark Slater, and Frenchman, Jean Michel Braquet—who were taken hostage Tuesday a week ago after their train was ambushed 130 kilometers southwest of Phnom Penh.

In the photos, the three men are seen standing barefoot in Western clothes and sitting in a makeshift bamboo and thatch hut. One is wearing a jacket which could indicate he is ill. [end recording]

Detained Thais Involved in Coup Attempt

BK0408110294 Hong Kong AFP in English 1021 GMT 4 Aug 94

[Text] Phnom Penh, August 4 (AFP)—The Cambodian authorities would release one or two of a group of 14 Thais detained here in connection with a recent attempted coup d'etat but an investigation showed that many of the others were involved, co-premier Prince Norodom Ranariddh said Thursday.

"Our investigation shows clearly that they were involved with the attempted coup. There is no doubt at all," the prince told reporters during a break in Thursday's session of parliament.

"Some have already admitted they were involved," the prince said, adding that those cleared would soon be freed.

"We are moving very fast to try to release anyone who should be released," he said, adding "there's one or two who will soon be freed."

Information Minister Ieng Mouly said he hoped the investigation would be completed within one or two weeks.

"In the meantime, maybe one or two Thais would be released if we get close cooperation from the Thai government."

The Thai foreign ministry, however, expressed its "gravest concern" Wednesday over Phnom Penh's continued detention of the group.

A senior foreign ministry official gave Cambodian ambassador Roland Eng a reminder that said the continued detention of the 14 Thai nationals was clearly in violation of Cambodia's obligation to grant a minimum standard of protection to [word indistinct].

The reminder also urged Phnom Penh to release the group without further delay as there were no known substantive charges against them.

Prince Ranariddh, however, said he was not yet aware of the reminder and added that if Bangkok wanted to help speed up the investigation, Thai authorities should facilitate the extradition of two Thai nationals who were allegedly the leaders of the detained group, described by the prince as being "a mafia."

"We would like to ask Thailand to cooperate with the Royal Government to send to Cambodia those who were primarily responsible and who escaped to Thailand," the prince said.

Although he did not directly name the suspects, Prince Ranariddh indicated that one of the Thais was former Thai MP and Police Lieutenant Colonel Adun Bunsoet.

Adun was at the airport here July 3 when the 14 were arrested and subsequently fled overland back to Bangkok leaving his passport behind at the immigration counter.

"If he was not involved, why did he run?" the prince asked.

The second Thai was believed to be Thanongsak Surattana, who previously said the 14 were employees of his Hi-Tech Communications company.

"We need Thai cooperation to bring these two suspects to Cambodia," the prince said.

Prince Ranariddh reiterated that Phnom Penh was not accusing the "Thai government or any Thai institution" of being involved in the coup.

Government officials have said they believed the group were snipers or weapons experts who were hired to assassinate government leaders.

The government had also requested Hanoi's help in securing the return of several senior Cambodian security officials who fled to Vietnam in the wake of the failed putsch.

The government foiled the coup attempt late July 2 when loyalist troops intercepted and prevented a convoy of armoured personnel carriers and more than 100 armed troops from reaching the capital.

Government officials said former deputy prime minister Prince Norodom Chakkrapong and former interior minister Sin Song were the leaders of the coup.

Khieu Samphan Issues Appeal to Farmers

BK0308053694 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 2 Aug 94

[Appeal issued by Khieu Samphan, prime minister and minister of the national army of the Provisional Government of National Union and National Salvation of Cambodia, on 2 August; place not given—recorded]

[Text] Esteemed and beloved compatriots, esteemed and beloved seven million peasants in the countryside:

First, I would like to call on all esteemed and beloved fraternal peasants and people to refuse resolutely to be recruited as soldiers or militiamen by the two-headed elements to prevent them from continuing to kindle the war. This is the slogan, my appeal to all esteemed and beloved compatriots, that is, you must avoid the two-headed elements from recruiting soldiers and militiamen, prevent them from continuing to kindle the war.

As you have known and suffered yourselves, the communist Vietnamese have committed an aggression against our Cambodia for over 15 years now and this aggression still continues.

While implementing the Paris agreement, UNTAC [UN Transitional Authority in Cambodia] came to join hands with the aggressor communist Vietnamese. When the alliance of villains came, they again joined hands with the aggressor communist Vietnamese. As for the two-headed elements, they immediately started to kindle the war as soon as the communist Vietnamese, UNTAC, and alliance assembled.

The alliance of villains, particularly the United States, France, and Australia, presently are sending military personnel and weaponry to the communist Vietnamese puppets and two-headed elements—to the war machine of communist Vietnam, for them to escalate the aggressive war by communist Vietnam. This allows them to continue slaying our nation and people, particularly our peasants, as they have done in the past 15 years.

Communist Vietnamese and their puppets previously used the extremely fascist and criminal K-5 corvee [unpaid labor] to slay our peasants, to cause death, to separate our people, and to cause untold suffering and destruction. Since then, there have been the second K-5, third K-5, fourth K-5, and so on endlessly. This has caused death, separation, and untold suffering and misery to our peasants.

They used to recruit forcibly soldiers and militiamen to fight and die. Until now, they have kept recruiting more and more soldiers and militiamen through all kinds of fascist acts. They send troops to surround and recruit people from their houses, villages, farm lands, rivers, streams, and the field. That is, they carry out recruitment with the guns of their armed forces and their administration. This forcible recruitment has been carried out all along in the dry and rainy seasons and during daytime and at night by the communist Vietnamese and their puppets even after the two-headed elements came into being. They will first arrest and detain the wives and then forcibly recruit the husbands as soldiers and militiamen. They have kept recruiting countless numbers of our people to fight and die like beasts in their place.

Just take a look, is there any peasant family whose husband and sons have not been forcibly recruited by these vicious elements and sent to fight and die in their war of aggression and genocide? At the same time, they have kept taking liberty with and bullied the wives and children. The peasants have been living in great misery. They have lost their land, farms, cattle, and everything. They have to flee their homes and villages to become refugees roaming in misery like floating weeds.

On the one hand, they kill our peasants by recruiting and sending them to fight and die in huge numbers in the flames of war. On the other hand, they have authorized four million Vietnamese nationals to come in to swallow up our Cambodia. These millions of Vietnamese nationals have grabbed our fraternal peasants' land and plundered their crops, fish, and oil. They have implemented the policy of creating misery and famine systematically in the countryside. What for? It is in order to starve the peasants. It is also a strategy and tactics to force our fraternal peasants to become soldiers and serve their war of aggression.

The aggressive war of communist Vietnam, its alliance, and two-headed elements has killed huge numbers of our nation and people. They particularly have killed our peasants. This is a crime, an extremely heinous crime unprecedented in the history of Cambodia. They consider our fraternal peasants merely as life forces for them to recruit to fight and die in the service of their war of aggression and genocide.

Our entire people, especially the fraternal peasants, have never bowed their heads nor kneeled down in submission to allow these warmongers easily to recruit them. From 1979 to 1994, our fraternal peasants and people jointly have struggled resolutely and perpetually against the sworn enemies and their lackeys. The compatriots have joined hands with Democratic Kampuchea to wage all forms of struggle—militarily, politically, and economically—on all big and small battlefields. Every passing year the compatriots have inflicted successive defeats on the aggressor communist Vietnamese and their puppets, thus preventing them from accomplishing their strategy to swallow up our Cambodia.

As a matter of fact, communist Vietnam loudly claimed on 7 January 1979 that Cambodia was already swallowed up in its stomach. But another fact is that Cambodia constitutes a huge and very sharp iron needle of our nation and people, which is piercing the throats of the communist Vietnamese and their puppets. This prevents them from turning around. Hundreds of thousands of communist Vietnamese troops were killed and wounded. The $10 to 20 million spent by communist Vietnam melts away in the flames of its aggressive war.

The communist Vietnamese puppet administration is in agony. Its economy is zero; its finances are zero. It even has no rice to eat. More importantly, it is suffering a shortage of troops to fight. The peasants have kept struggling to prevent these hooligans from recruiting them. The peasants run away whenever these elements come to recruit them. Some of the compatriots, who were recruited, run whenever they can. Those who were sent to the battlefield also flee. The compatriots flee after turning their guns against their evil commanders. They flee by the dozen, hundreds, and in units until there are no troops left on the battlefield except for the evil commanders and a handful of their henchmen. They are in distress and confusion. Everywhere, there are no troops. There are no troops on every battlefield.

The National Army of Democratic Kampuchea is fighting to defend villages and people; the peasants are struggling to protect themselves; and the people in Phnom Penh are struggling against the communist Vietnamese puppet administration. People everywhere are fighting against them. Moreover, the fraternal peasants are struggling against their recruitment. Doomsday has come for all of these devilish warmongers since they don't have troops to fight for them.

In addition to the fraternal peasants, the compatriots in the cities and in Phnom Penh have also struggled to avoid being recruited. Thus, the puppets of communist Vietnam have no troops left and can no longer recruit new soldiers; the puppets of the United States also have no troops left and cannot recruit more troops.

In such a situation, is there anyone fighting for them? Will the two-headed elements go out to fight? Will the United States, France, or Australia go out to fight? Are they brave enough to fight by themselves? Are they brave enough to die and leave their remains on the Cambodian battlefield?

These countries only count on their supply of money and arms to the two-headed elements. But money and arms alone cannot work if there are no peasants to serve as soldiers, if the peasants oppose them and struggle to avoid being recruited to fight for them. This is the real situation of their aggressive war. This is also the real situation of the national salvation struggle waged all along by our nation and people.

It is on this occasion that I, in my capacity as the prime minister and minister of the national army of the Provisional Government of National Union and National Salvation of Cambodia, would like to appeal to all our fraternal people, particularly our seven million peasants. Please jointly strive to end quickly the Vietnamese war of aggression and genocide. Do not let it drag on any longer. That is, we must quickly put an end to the aggressive war by our entire people, particularly our seven million peasants, who are struggling to avoid recruitment. Here are the daily slogans that our seven million peasants and our entire people must keep in mind:

Avoid being recruited as soldiers by the two-headed elements to quickly end the aggressive and genocidal war of communist Vietnam!
The Cambodian people must survive. The seven million Cambodian peasants must survive!
The Cambodian nation must survive!
The Cambodian race must last forever!
Long live the valiant Cambodian people!
Long live the mighty Cambodian peasants!
The Cambodian people definitely will not serve as puppet soldiers!
The Cambodian peasants definitely will not serve as puppet soldiers!
The communist Vietnamese's aggressive war must definitely be ended quickly!

[Dated] 2 August 1994

Indonesia

Alatas Views UN Role, SRV Place in ASEAN

BK0308145194 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 3 Aug 94

[Text] UN peacekeepers have often become law enforcers. This is something new, which has sometimes been controversial. Foreign Minister Ali Alatas said in Jakarta today that the controversial decisions of the UN Security Council have led to abstentions every time a vote is taken at the United Nations.

Alatas said that Vietnam's entry into ASEAN will be in line with ASEAN's wish that all Southeast Asian nations will join ASEAN. Cambodia and Laos are also expected to become ASEAN members. Vietnam's entry was approved at the recent ASEAN foreign ministers meeting in Bangkok.

Editorial Views ASEAN's True Identity

BK0308152994 Jakarta MERDEKA in Indonesian 25 Jul 94 p 6

[Editorial: "ASEAN Exposes Its True Identity"]

[Text] Amid the turbulence of globalization, ASEAN, comprising Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Brunei Darussalam, the latter the newest member of the group, was eager to expose its true identity in the ministerial meeting held in Bangkok last week. Such an observation was made during the ministerial level meeting—the 27th ASEAN Ministerial Meeting [preceding words in English] or AMM, which was attended by representatives and observers, who are the foreign ministers of Vietnam, Laos and Papua New Guinea, while the deputy foreign minister of Myanmar [Burma] was only invited to attend the opening and closing ceremonies of the ministerial meeting.

Numerous agendas were listed for the meeting, which touched on several bona fide and pressing issues. We should clarify here that discussions were also held on the issues of accepting new members, politics, economy, regional and global security, including a common stand in facing the globalization era. This was followed by dialogues with the group's closest economic partners, namely the United States, New Zealand, Canada, Australia, Japan, South Korea, and the European Union. Traditionally, such dialogues are held during the Post Ministerial Meeting or PMM. The ASEAN Regional Forum [preceding words in English] (ARF) will be held on 25 July to discuss the applications submitted by Vietnam, Laos, and Burma to become members of ASEAN. Their membership in ASEAN would expand the group's number from six members to 10.

The world stands as a witness as to how prominent and rapid the influence of globalization has been on the region known as "Southeast Asia." From the first concept of "Maphilindo," an altogether new concept of cooperation then emerged, which resulted in the founding of ASEAN in 1967. ASEAN, which was established during the Cold War era, grew and expanded rapidly and brought along the existence of the Treaty of Amity and Cooperation [preceding five words in English] (TAC) in 1976 in Bali. Vietnam, another signatory member, was included in the treaty. The TAC is a regional cooperation treaty that deals with sensitive issues on politics, economy, culture, and regional security.

Why do we use the word "sensitive?" It is because Southeast Asia is the "focal point" of conflicts among the Western and Asia-Pacific countries. We are faced with not only two conflicting parties but with more important issues concerning politics, economy, and security. The global powers hold their meetings in this region in an effort to satisfy one another's interests. The current globalization era has truly become the catalytic factor for the global powers' conflicting interests in this region. Statements issued by the ASEAN members at the end of a meeting—whether it is a ministerial meeting, a summit, or only an informal meeting—will, in any circumstance, definitely be linked to the issues of human rights, democracy, and openness toward the acquisition of economic assistance. Such issues will also be linked to economic cooperation, trade access to free markets, and the abolishment of sovereign boundaries. Apart from this, other issues will also become sensitive in the globalization era.

We do not wish to give a lesson on such topics to the ASEAN leaders. We are only urging them not to issue any joint statements blindly, without applying the so-called cultural strategy as a basis. The cultural strategy was used by the Dutch, British, French, and Americans to divide Southeast Asia into Indonesia, Indochina, Malaysia, and the Philippines. However, they have currently become our "dialogue partners." The spirit of "togetherness" among the ASEAN member countries has transformed them into "regional partners." This promises a bright future for them amid the continuing recession.

The cultural strategy, favored by the Western nations and practiced over the past three centuries in Southeast Asia, caused the regional countries to be backward, poor, and left far behind in the scientific and technological fields. Currently, with the end of the the Cold War and with recession continuing, the "old" powers re- emerge to repeat their "outdated" trends by pretending to provide economic assistance and trade access, similar to what happened in the 17th century. That was why ASEAN stood on firmer ground and unveiled a strong and true identity during its recent ministerial meeting in Bangkok.

Armed Forces Reducing Sociopolitical Role

BK0308150094 Jakarta REPUBLIKA in Indonesian 25 Jul 94 p 1

[Text] Purwakarta, REPUBLIKA—The Armed Forces of the Republic of Indonesia [ABRI] have begun to reduce its sociopolitical role because of the better situation and conditions in the country. However, this will in no way affect the ABRI's future existence or abolish its dual function.

"The ABRI's dual function will not disappear because it is part of Indonesia's national and state system," Brigadier General Syarwan Hamid, head of the ABRI Information Center, told reporters during an inspection tour by Armed Forces Commander General Feisal Tanjung of the site of the 46th "ABRI Enters Villages" program at Sukajadi Village, Purwakarta last Saturday (23 July). According to Syarwan, the number of ABRI members assigned to the government has been reduced as part of the reduction package. This started several years ago.

President Suharto reminded the ABRI as a stabilizing force not to meddle with other agencies when he received participants of the ABRI leadership meeting at the State Palace last week. According to Lt. Gen. (Retired) Sayidiman Suryohadiprojo, former governor of the National Defense College, Mr. Suharto's remarks were simply a warning for the ABRI not to go too far.

According to Syarwan, the ABRI will not meddle with other agencies if they can function well. Its involvement, if any, in settling problems of other agencies does not amount to an interference.

The ABRI's current involvement has been due to the situation and conditions in the country. Syarwan cited the labor problem as an example. The security forces will get involved only if such a problem cannot be settled bilaterally or trilaterally at the regional or central level and is followed by demonstration. "The ABRI will not simply get involved," he said.

According to Syarwan, there are three patterns of action—functional, integrated, and special patterns. Under the functional pattern, each agency settles its own affairs. Under the integrated pattern, there is coordinated action in settling a problem. For example, the settlement of a land problem sometimes involves various agencies. This does not amount to an inteference but rather aims to achieve an effective settlement. The Agency for the Enhancement of National Stability, Syarwan said, in fact combines various functions.

The head of the ABRI Information Center said ABRI members are assigned to the government upon the request of an agency. For example, a minister can ask the armed forces commander to assign a military officer as secretary general of a department and the armed forces commander can approve and subsequently process such a request. "Thus, the armed forces commander has never made such an offer," Syarwan said.

A regional house of representatives, local community, ulemas, and other parties often asks the ABRI to name a member as a candidate for the posts of governor, mayor, or district chief. "These posts are elected ones. Thus, all qualified citizens have the right to be elected. There will be no problem as long as they are elected."

He said that there is no dichotomy to determine a political post. According to him, there is no rule that a civilian should hold a post at a certain period. This will depend on the results of an election and popular support.

He said that the ABRI leadership has not easily permitted its members to be assigned to the government. The rule on the extension of such permits and recommendations has already been tightened. The number of such permits has decreased because each agency has improved its own performance. However, the head of the ABRI Information Center was unable to give the percentage of the reduction.

According to Syarwan, any ABRI members who hold certain posts in other agencies are not amateurs. The ABRI is not passive. Such ABRI members have already prepared themselves well for such posts and are very capable.

Satellite Launch Bidding Slated for 1995

BK0408012894 Jakarta ANTARA in English 1840 GMT 3 Aug 94

[Text] Jakarta, Aug 3 (ANTARA)—A tender to build a launch vehicle for the Palapa C-2 satellite is to be held next year with six international companies participating, a telecommunication official said.

Director of the state-run PT [company limited] Satelindo Iwa Sewaka told the press here Wednesday that the six companies are U.S. McDonnell Douglas, Russia-U.S joint company Krunichev, Japan's Nazda, China's Long March, U.S.' General Dynamics, and France' Ariane Space.

The Palapa C and Palapa C-1 are scheduled for launching next year and Palapa C-2 in 1998. They would be products of Hughes Communications International, Incorporation (HCII).

The satellites would be worth U.S.$128 million. HCII also made the Palapa A and B satellites.

The two Palapa satellites would be launched by Ariane Space' Ariane 4, General Dynamics' Atlas II, Long March's Long March 3-B. Last year France' Ariane Space won the tender to launch the Palapa C-1 satellite. The Palapa C satellite will cover the area of Southeast Asia, India, part of China, Japan, Korea, Australia and New Zealand.

Expressing optimism that the satellite business will yield positive results, Sewaka said there would be 50 television channels in Indonesia towards the end of 1997.

Laos

Development Pact Signed With Malaysian Firm

BK0208110794 Vientiane KPL in English 0931 GMT 2 Aug 94

[Text] Vientiane, August 2 (KPL)—An appendix and amendment to the Agreement on the Integrated Development Investment Project in the five southern provinces of Laos was signed at the Committee for Planning and Cooperation on July 30 between the Lao Government and the Lao Timber Corporation Malaysia.

The signatories were Leuan Sombounkhan, vice-president of the Committee for Planning and Cooperation, Sittaheng Latsaphon, deputy-minister of agriculture and forestry, Tan Mun Hong, president of the Lao Timber Corporation Malaysia, and Dato Abdul Wahab B. Harun, ambassador of Malaysia to Laos.

The additional operation plans of the corporation includes the allocation project on the Boliven plateaus starting with the relocation of people from nine areas to eight areas in Paksong District, Champassak Province, the provision of technical assistance to the Lao Government in improving and upgrading the existing agricultural production and trading activities in the areas and in turning domestic marketing into an international standard marketing system. The plans also involve the design of dams in service of irrigation and, if feasible, the construction of a hydropower dam Sedon-3.

In addition, the two sides agreed to make amendments to the agreement signed here on January 6, 1993. The amendments include the abrogation of the construction of a road linking Dakchung District, Sekong Province, and Danang port in Vietnam, and other areas.

So far, the Malaysian corporation with its initial investment of U.S. dollars 100 million has conducted aerial and ground (?studies) in southern provinces of Laos to long-term, medium-term and future macro planning involving some 50 foreign and Lao technicians.

Economic Zone Agreement Signed With Thai Firm

BK0408080394 Vientiane VIENTIANE TIMES in English 15-21 Jul 94 pp 1,8

[Text] The Lao government has agreed with a Thai International Limited Company to jointly invest in the development of a special economic zone in the municipality of Vientiane.

An agreement on the joint venture was signed at the Belvedere Hotel yesterday between the representative of the municipal finance service, Kham-ai Vannachan, and the executive president of the Hemmarat Land Development Public Co Ltd of Thailand.

The signing was witnessed by Deputy Prime Minister and Planning and Cooperation Committee President Khamphoui Keoboualapha, and Vientiane Mayor Boungnang Volachit, among some other ministers.

The joint investment has the objectives to build up and develop the special economic zone within which nine projects are to be implemented. The projects include the industrial farm project, the hotel and tourism project, the duty-free shop project, the trade arcade project, the entertainment centre project, the sports centre project, the golf course project, the residential project and others. The Thai company will put 40,000 shares amounting to US$ four million in the joint venture, 25 per cent of which will be contributed within six months while the rest will be paid within three years after the corporate establishment.

In the first ten years of operations, the company will use about US$ 120 million capital. According to company executive manager Prathiptrai Lohaka, three months after the signing of the agreement, the first project to start will be the industrial farm project and then the trade arcade project. He said that the project focus is that most of the facilities will be carpeted in green to make it suited with the natural conditions and climate of Laos.

He also said that all the projects will use about 3,000 to 4,000 million kip and cover a total area of about 1,000 hectares as allowed by the Lao government. The area, which is on lease for 55 years, is located in the district of Hatsaifong. Upon the term expiry, all the facilities will be transferred to the Lao government.

Following the signing of the joint venture agreement, the Thai company presented 100,000 baht cash and a set of computer to the municipality for use in the restoration of That Dam (black stupa) and also gave another set of computer to the Lao government.

Use of Port Discussed With Cambodian Minister

BK0408090794 Vientiane VIENTIANE TIMES in English 22-28 Jul 94 p 12

[Text] Cambodia is pleased to build a road from the Cambodian-Lao border to the Kompong Thom sea port (Sihanoukville) to enable Laos to use this port, according to Cambodian Public Works Minister Ing Kiet who meet with Minister of Communications, Transport, Post and Construction Bouathong Vongnokham on July 16 during his recent three-day visit to Laos.

At the meeting, the two ministers discussed the situation of road communications, particularly the improvement of Road 13 of Laos from Vientiane to the Cambodian border. Bouathong told Ing Kiet that has already planned to complete the road from Vientiane to the border of Cambodia by the year 2000. In reply, Ing Kiet said that his country is pleased to build a road from the common border to the Kompong Thom sea port for Laos to use this port.

Ing Kiet offered Laos the use of river transportation facility, especially during the rainy season so that goods transportation from Phnom Penh can reach the border of Laos. The Lao minister said that the Lao side has yet to send technicians to identify it and informed his Cambodian counterpart about the situation of land, river and air transportation in Laos, including plans for upgrading the Waltai Airport in Vientiane to international standard and airports in such other major towns as Luang Prabang, Savannakhet and Pakse.

Bouathong invited Ing Kiet to visit Laos in the coming dry season in order that the two ministries can discuss activities in their sector specifically. This visit of Ing Kiet to Laos was in his capacity of President of the National Mekong Committee.

Memorandum on Hydropower Project Signed

BK0308053494 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Aug 94

[Text] A ceremony was held at the Office of the Investment Management Committee in Vientiane on 1 August to mark the signing of a memorandum of understanding between the Lao Government and the (East Tennessee Corporation Company) of the United States on the construction of the Nam Theuan-3 Hydropower Development Project in Khammouane Province. This hydroelectric power project has a generating capacity of 190 megawatts. The cost of construction is still not estimated. The surveys for the construction, which will continue for 12 months, will begin immediately after the memorandum is signed. The construction of the whole project will last six years. According to the memorandum, the Lao side will hold the shares totaling 15 to 30 percent.

Signing the memorandum for the Lao side was Leuan Sombounkhan, vice chairman of the Investment Management Committee, while signing for the (East Tennessee Corporation Company) was (Alex Bakinky), deputy chairman of the company. The signing ceremony was held in the presence of high-ranking officials of the two sides.

Philippines

Sri Lankans Said Smuggling PRC Arms Via Country

BK0308094594 Manila PHILIPPINE DAILY INQUIRER in English 30 Jul 94 p 7

[By Raymond Burgos]

[Text] The Philippines is being used by Sri Lankan rebels as trans-shipment point to smuggle firearms from China, it was learned yesterday.

Intelligence reports from Camp Aguinaldo also said Sri Lankan Tamil Tiger rebels were training members of the Moro National Liberation Front and the Moro Islamic Liberation Front in rebel-held areas in Mindanao.

Military intelligence operatives learned of the Tamil Tiger rebels' gunrunning activities from two Sri Lankans earlier arrested by government authorities for human smuggling.

The Tamil guerrillas' smuggling of the high-powered firearms from China have remained undetected by military authorities due to the inability of the Philippine Navy to effectively patrol the coastlines of Mindanao.

Tamil guerrillas have been waging a bloody ethnic struggle against the Sinhalese-dominated government of Sri Lanka.

Intelligence sources, who requested anonymity, said the two Sri Lankans were members of a syndicate using the Philippines as transit point for Sri Lankan illegals bound for Canada.

The syndicate reportedly raises funds for Tamil rebels through counterfeiting of dollars and by selling fake passports and visas to fellow Sri Lankans at $300 each.

The syndicate reportedly maintains a safehouse in Angeles City, Pampanga, and a contact ship plying the seas off Bataan and Zambales.

Sources said the Tamil rebels use the Philippines' southern backdoor as entry point from China where they get the weapons. In some instances, the sources said, the firearms are first brought to Sabah in Malaysia before being transported to Mindanao.

Manila Said Alert for Possible Terrorist Entry

BK0308142794 Manila PHILIPPINE DAILY INQUIRER in English 31 Jul 94 p 9

[Text] Immigration Commissioner Zafiro L. Respicio has ordered a tight watch of the country's entry points for members of the Japanese Red Army [JRA], an international terrorist group.

Intelligence sources who asked not to be named said the Department of Foreign Affairs [DFA] has advised the BID [Bureau of Immigration and Deportation] that members of the North Korean faction of the JRA may try to enter the country and use it as jump-off point for its terrorist activities, mostly bombings and hijackings.

Respicio himself refused to confirm or deny the DFA advisory. No DFA official could be reached for comment yesterday.

The intelligence agents, however, said they are not aware of any JRA member who has recently entered the country through NAIA [Ninoy Aquino International Airport] or the southern backdoor.

Sources said the North Korean-based faction of the JRA has been "activated" due to the developments in North Korea resulting from the death of President Kim Il-song.

The sources said the JRA may be out to launch a new "terroristic activity" for the communist state which is under fire for its reported nuclear buildup.

The sources declined to elaborate on the directive.

BID Deputy Intelligence Chief Ponciano Ortiz downplayed the report, saying their monitoring of the JRA is a "regular thing."

But sources said all BID agents at the Ninoy Aquino International Airport were ordered to be on the lookout for suspected JRA members who may enter as tourists. The agents were given profiles of 15 suspected members of the terrorist group and their photos were posted at all NAIA counters.

The JRA has gained international notoriety for bombings and hijackings. In 1970, the North Korean faction hijacked a Japan Air Lines plane and forced it to land in North Korea.

Sources said the JRA has been active in the Philippines before 1988 and had established links with the local communist insurgents.

The 1986 kidnapping of Japanese businessman Noboyuki Wakaoji was reportedly pulled off by the New People's Army and the JRA.

Seven of the more notorious members of the JRA are based in North Korea and others are scattered in Middle Eastern countries.

Talks Slated To Resume in Netherlands

BK0408060894 Manila THE MANILA CHRONICLE in English 31 Jul 94 p 6

[Text] Maria, Siquijor Island—The resumption of peace talks between the government and the Communist Party of the Philippines-National Democratic Front-New People's Army [CPP-NDF-NPA] has been definitely set for the last week of September in the Netherlands.

Tarlac Rep. Jose Yap, a member of the government negotiating panel with communist rebels, said the scheduled talks would set the agenda of the formal peace talks with the left.

He said initial plans for the two peace panels to meet in Vietnam after the September meeting and before the formal talks have been shelved in favor of a comprehensive marathon negotiation in the Netherlands.

"This will be the last meeting before the formal talks. Wala na 'yung Vietnam. 'Yung pag-uusapan sana sa Vietnam, dito na lang sa Netherlands [Vietnam has been shelved. We will just talk here in the Netherlands, instead of Vietnam]," said Rep. Yap, who accompanied President Fidel Ramos here, in Cebu and in Dumaguete for the chief executive's weekly provincial visit.

The Tarlac solon has been assigned by the government peace panel to get in touch with Jose Ma. Sison, CPP chairman, and Luis Jalandoni, NDF spokesman, for the proper coordination and needed preparation.

Sison and Jalandoni have been living in exile in the Netherlands.

According to another member of the government panel, the exiled leaders of the left proposed that preliminary talks start on 28 September.

Continued Reportage on Abu Sayaf Issue

Formation, Strength Outlined

BK0208125894 Manila PHILIPPINE DAILY INQUIRER in English 29 Jul 94 pp 1, 10

[Excerpt] [passage omitted] In Mindanao, the Islamic fundamentalist movement appears to be spearheaded by the Tabligh and Abu Sayyaf.

It all began in the '70s when missionaries from Pakistan and Afghanistan entered the Philippines. The Islamic fundamentalist movement in Iraq and Libya offered scholarships to Muslim students from the Western Mindanao State University [WMSU] in Zamboanga City and the Mindanao State University [MSU] in Marawi City.

Tabligh

In 1984, two Muslim scholars returned to Marawi City from the Middle East and formed the Jamia-atul Al Islamic Tabligh (JAT) or Tabligh, which means association for the propagation of Islam.

They were Amilhussin Jumaani of WMSU and Abe Dalogan of MSU, who were among the Filipino Muslim scholars in the Middle East in 1980-84.

Tabligh of Mindanao was patterned after a Pan-Arab world fundamentalist movement which originated in British India 60 years ago.

It was derived from the Arabic religious alphabet which means to "spread or disseminate the word." It also refers to the dogmatic interpretation of the teachings of Islam and the infallibility of the Koran.

From its base in Pakistan, Tabligh has sent out itinerant preachers to over 100 countries. Many of these missionaries went to Mindanao.

Tabligh aims to attain peace, unity, and solidarity among Muslim Filipinos, deepen their faith in Islam, and recruit converts to Islam.

Other known Tabligh leaders are Ustadz Maalil, head of the Marawi chapter; Yusop Gali, head of the Zamboanga chapter; and, Dr. Abdel Amat and Hadji Calama Ibana of Basilan.

Tabligh is a legal Muslim association with over 100,000 members all over Mindanao. Its primary targets are Muslim students of state colleges and universities in the area.

According to classified military reports obtained by the INQUIRER, Tabligh is armed with an undetermined number of M-14, AK-47, and M-16 rifles, and receives financial support from Pakistan and Saudi Arabia.

Abu Sayyaf

Abu Sayyaf, on the other hand, was organized in the mid-'80s in Basilan by two Muslim ustadz (scholars).

They were Abdurajak Abubakar Janjalani, who was trained in Saudi Arabia and Libya, and Wahab Akbar, in Syria.

Its core group is believed to be composed of Filipino Muslim volunteers who joined the International Islamic Brigade that fought the Soviet-backed Kabul regime in Afghanistan. It is composed of young ideologues who are seeking recognition from Arab countries.

Why did Janjalani use Abu Sayyaf as his nom de guerre? Three postulates may be drawn:
—It may have been taken from a well-known Afghan resistance leader, Abdul Rasul Sayyaf, who led a group called the Islamic Union for the Liberation of Afghanistan.
—It comes from the Arabic "abu sayyaf," which means "sword bearer."
—It is an acronym representing the first letters of the aliases of eight former commanders of the Moro National Liberation Front [MNLF] and the Moro Islamic Liberation Front—Abubakar (the founder), Basiri, Usman, Sampihit, Ali, Yunos, Abdulrajai, and Faisal.

But if it is an acronym, the reason for the double "y" is unclear.

Senior diplomats at the DFA [Department of Foreign Affairs] said the Tabligh and Abu Sayyaf are not one and the same.

Accordingly, Islamic fundamentalism that is Tabligh advocates the pursuit of the noble objectives of the movement strictly based on the Koran.

Islamic extremism like Abu Sayyaf, on the other hand, uses false dogmas to justify acts for a "jihad" or holy war.

Also, while Tabligh strongly believes that Christians and Muslims can co-exist, Abu Sayyaf believes that Christians and Muslims who do not follow its brand of Islam are "nonbelievers" and that "their elimination is one of the paths to Allah." Thus, the urge to kill Christians.

Arms strength

Military and police reports said that since its organization in Basilan in 1990, the Abu Sayyaf's strength has tremendously increased from its original membership of 50-150 to about 1,000 armed supporters and sympathizers, with ages ranging from 16 to early 30s. It is mostly concentrated in Basilan and Sulu but it operates throughout Mindanao.

Other reports pointed to some Abu Sayyaf men as also members of Tabligh. Both are disenchanted with the government and the MNLF.

To be able to send its bright members for training in camps abroad and get much needed firearms, the Abu Sayyaf engages in terrorist activities such as kidnapping, extortion, smuggling, and banditry.

Members are believed to be equipped with high-powered firearms such as MGO [expansion unknown] LMGs [Light Machine Guns], 81 mm mortars, 57 3.5 mm rocket launchers, caliber 50 HMGs [heavy machine guns] and assorted M-14, M-16, and AK-47 rifles plus anti-tank and anti-aircraft weapons.

The post-Mubarak era in 1992 ushered in the formation of the Abu Sayyaf. While a series of terrorist activities had been blamed on the group, what gave it notoriety was the abductions of Fr. Bernardo Blanco and Boy Biel in Basilan; the Spanish nuns and U.S. missionary Charles Walton in Sulu; and, businessman Ricardo Tong of Zamboanga City.

Abu Sayyaf's first main camp in Al-Madinah in Isabela, Basilan, was captured by the military in May 1993.

Janjalani moved his base to Patikul, Sulu, with the tacit knowledge of MNLF Chief of Staff Yusop Jakiri, according to the Armed Forces' intelligence service.

While in Patikul, Janjalani's group intensified manpower recruitment, arms buildup, and fund-raising activities to be able to recover from losses during the Al-Madinah raid.

But with the military overrunning the Patikul camp during the biggest and bloodiest assault this year, Abu Sayyaf remnants sought refuge with their relatives in Jolo.

Military Approach Viewed

BK0408090094 Manila PHILIPPINE DAILY INQUIRER in English 1 Aug 94 pp 1, 10

[By Cynthia D. Balana]

[Text] Fifteen years ago, at least 22 helicopter gunships kept roaring in the sky, ferrying 12 battalions of soldiers to fight Muslim secessionists in Jolo, Sulu. They were backed by dozens of paratroopers and an air assault team which dropped bombs on the strongholds of the then monolithic Moro National Liberation Front [MNLF].

It was the first face-to-face battle between government forces and the MNLF, and the fiercest and biggest concentration of troops in a single area.

The firefights lasted from December 1977 to March 1978, with the military claiming around 500 casualties from the MNLF and more on the government side.

"The MNLF thought they had reached a point that they were already strong to fight us. So, lumalaban sila nang sabayan [So, they fought with all their might]. That (battle) was the one that broke their morale," recounted Gen. Arturo Enrile, Armed Forces chief.

It could have been the most successful military operation in Mindanao, Enrile said, had not cumulus clouds descended, giving the soldiers a blurred image of their opponents. As a result, many MNLF men managed to retreat, thereby preventing the military from launching the final assault.

"Now this Abu Sayyaf thing, it's nothing compared to the 1978 operations in Jolo," Enrile mused. At that time, bodies were being taken out of the combat zone by trucks and C-130s.

In Isabela, Basilan, six Marine and Army battalions are involved in the Abu Sayyaf operations. They are backed by special forces from the Navy and Air Force as well as blocking forces from the Philippine National Police.

While firing has stopped, government forces now broken down into small units, are conducting cat-and-mouse operations against Fr. Cirilo Nacorda's abductors, who have been moving from one place to another.

Enrile has insisted that Nacorda's captors led by Commander Barahama Sali, are not really Abu Sayyaf men but another bunch of bandits and sympathizers of Abdurajak Abubakar Janjalani. Sali is in fact the commander of the MNLF Lost Command in Basilan, Enrile said.

Television news footage has shown Sali and his men presenting Nacorda to the Tipo-Tipo mayor and members of the media, as well as displaying high-powered firearms.

It is interesting to note that despite the military's intelligence network, its troops have yet to get close to their quarry—an art apparently perfected by some members of the media.

"(That's) because (members of the media are not combatants and (the captors are) negotiating through emissaries" Enrile pointed out. "Also they need publicity. They secretly inform the media about their plans. You know—parang noon din kayo sa (Rebolusyonaryong Alyansang Makabansa) di ba? Alam nila hindi ninyo sila ituturo [You know—when you were with the Revolutionary Nationalist Alliance, isn't it? They know that you will not squeal]."

Are military spies tailing reporters who have access to the Abu Sayyaf?

Enrile just smiled.

Police Action

"We are being criticized for putting in many troops ... when we are only looking for a few " Enrile said. "But if we just go through the normal process of looking for them on a one-on-one ratio or something like that, how can we put a stop to this?"

Putting a stop to Abu Sayyaf operations he said means ringing the area as well as possible escape routes and guarding some areas and installations expected to be hit by retaliatory actions. Both, he said require more troops than people may think are necessary.

Military officials say that what is happening in Mindanao is a police action conducted primarily by military elements.

But is the police action effective?

Enrile replied: "Very effective in the sense that the Abu Sayyaf and other elements that joined them are not able to conduct atrocities again. We will just keep them on the run so that they'll be busy running all their lives and have no chance to sow terror anymore."

Military field commanders, for their part, responded with statistics—those killed and wounded in action, the worth of damage.

As far as the enemy size is concerned, Enrile admitted that the Sampinit operation is tougher than the one conducted in Al-Madinah.

Who is winning the media war?

The military says some media persons have actually added to the confusion.

And this confusion, said Defense Secretary Renato de Villa, has contributed to the "undeserved prestige" of the Abu Sayyaf here and abroad.

"It is only my suggestion that perhaps we should not add to their desire to be recognized, especially so if they are on the other side of the law" de Villa said.

In contrast, he said, many soldiers in the field are given less media attention.

De Villa stressed that the "scoop mentality" among media outlets has sometimes resulted in inaccuracy.

"Our soldiers and civilian personnel are very much a part of your audience," he added. "You can just imagine how good it feels for a soldier out there to be mentioned in the light of his good deeds."

Enrile, on the other hand, said it is unfortunate that foreign wire services have chosen to highlight the Abu Sayyaf issue.

Mindanao today is far more peaceful and stable than Mindanao of the '70s, he said.

Sincerity

Another problem is the sincerity of the MNLF to put an end to the Abu Sayyaf problem in Basilan.

What is going on in Basilan is the extension of the operations in Jolo, Enrile said. The rescue of Nacorda is just a part of the overall operation he added.

With or without Nacorda, the military campaign against the Abu Sayyaf will continue. This, Enrile said, was approved by MNLF Chair Nur Misuari shortly before he left last May for his base in Jeddah, Saudi Arabia.

But promises are apparently meant to be broken.

According to intelligence reports, some MNLF men were actually supporting their relatives in the Abu Sayyaf. It is said that MNLF rebels from Indanan, Maimbung, and Talipao removed their MNLF patches so as not to compromise their mother unit.

On 4 June, MNLF spokesperson Zain Jali reportedly made an overseas call to Misuari in Jeddah.

In their conversation, Misuari allegedly instructed Jali that the MNLF secretly support Janjalani's mujahideen in terms of back-up forces, passage to MNLF-controlled areas, and reports of the movement of government forces.

Such support, Misuari allegedly said, should be kept in utmost secrecy so it would not affect his commitment to the peace process.

But Misuari was taken by surprise when the Abu Sayyaf seized 70 civilians, executed 15, and held a priest captive. He did not expect that the Abu Sayyaf will go that far, military sources said.

In a radio interview recorded by the military, Misuari said the possibility of the MNLF assisting government forces in pursuing the Abu Sayyaf is remote. He said the matter is very delicate as most of the Abu Sayyaf members are relatives of MNLF members.

Total Approach

The military pressure against the Abu Sayyaf is well calculated, said Enrile. This is due to the fact that Muslim extremists here are not as radical as those in Arab states, particularly on the level of terrorism inflicted on civilians and property.

"That's why we are trying to prevent that" he said. "I think this will reach a proportion wherein it becomes a serious problem."

"The phenomenon is really happening, as indicated by terrorist activities all over the world, such as the bombing of the World Trade Center. It is something we must be able to watch closely."

Enrile said statements that the military pressure has created diplomatic problems as a result of the crackdown on suspected alien supporters are more of an apprehension than a reality.

While soldiers from the engineering brigade are being tapped for development projects as part of the total approach to address the Abu Sayyaf problem, the intelligence network is still spying on its adversary. As counterterrorism experts say, do not expect the military to lay all its cards on the table.

Foreign Support Examined

BK0408051694 Manila PHILIPPINE DAILY INQUIRER in English 31 Jul 94 pp 1, 12

[Report by Cynthia D. Balana]

[Text] The strong display of firepower by the Abu Sayyaf during the military operations in Patikul, Sulu, and Sampinit, Basilan, bolsters the military suspicion that the extremist group is receiving arms from local and foreign supporters.

Consider the weapons seized from its members in the Patikul operations: M-16s, M-145s, M-79 grenade launchers, 90 mm light anti-tank weapons, cal. 50 HMGs [heavy machine guns], rifle grenades, six land mines, 75 sacks of ammonium sulfate, 100 meters of electric cord plus handheld radio transceivers.

Military and police officials are now conducting a thorough inventory of firearms in the wake of reports that most of the Abu Sayyaf arms were bought from the Southern Command [Southcom] in Zamboanga City—a charge that the Southcom vehemently denied.

Hadji Muin Aminuddin, a captured Abu Sayyaf supply officer, also claimed that most of their arms were supplied by "some personnel of the (Armed Forces) Logistics Command."

But Southcom officials have cautioned the public against believing the Abu Sayyaf.

"It's part of their psy-war [psychological warfare]," said Southcom Chief Lt. Gen. Orlando Soriano.

AFP [Armed Forces of the Philippines] Chief of Staff Gen. Arturo Enrile said he believes that most of the group's firearms, like those of the Moro National Liberation Front [MNLF], were part of the loose firearms in the '70s. Others, he said, were captured during past encounters with the military or purchased from local and foreign suppliers.

Enrile admitted having received information on foreigners supporting the Abu Sayyaf. But he refused to elaborate.

He said the support most terrorist groups are receiving enables them to travel abroad, purchase sophisticated weapons and explosives, and coordinate their activities with other such groups overseas.

Contrary to public perception, senior diplomats said, states supporting terrorism do not always give handouts to the requesting party.

In many cases, they said, the terrorists pay for their own weapons, explosives, and even training. Thus, the requesting party is encouraged to resort to extortion, drug trafficking, kidnap for ransom, and bank robbery.

The military has monitored several arms shipments from Malaysia to the Abu Sayyaf.

It said that since 1 January, the Abu Sayyaf has received in Basilan and Sulu at least three arms shipments consisting of explosives, an undetermined number of mortar tubes, high-powered firearms and ammunition. One shipment was believed to have come from Sandakan.

Former MNLF Commander Radullah Sahiron reportedly supervised the manufacture of some 300 60 mm mortar tubes which were test-fired on 15 April in Barangay [village] Mahatalang, Sumisip, Basilan.

Alien supporters [subhead]

The arrival of Pakistani and Arab nationals in Zamboanga late last month rattled the Southcom and officials of the intelligence service of the Armed Forces of the Philippines.

Military spies sent "strictly confidential" reports saying that Pakistanis, Iranians, and other Arab nationals reportedly belonging to the Islamic fundamentalist group were sighted in critical areas in Mindanao.

Their "unusual presence," said Soriano, confirmed the military's suspicion about their possible link with the Abu Sayyaf.

Philippine Airlines manifests showed that a total of 39 Pakistani nationals arrived in Zamboanga City from Manila on 28 and 29 June.

The first batch, composed of 10 Pakistanis, arrived on 28 June and were billeted at the Zamboanga Pension House. Three were identified as Ahmad Ali Khan, Rivas Khan, and Liegad Ali.

The second batch arrived the following morning but left for Jolo Sulu, on the same day.

Members of the group were identified as Syed Hassan Shan, Mohammad Mir Said Hassan, Miangul Jee Miangul Sarwar, Saiffuccah Khan Sher Alam Khan, Adil Shah Noor Zamin Shah, Hamish Khan Alidad Khan, Fakin Khan Ashtar Khan, Ziarat Khan, Mohhamad Khan, Jam Hayat Mian Shamal, Fazal Qadar Siraj Ahmad.

Pasand Hakin Khan, Bhrdulla Khan Khainullah Khan, Masin Said Amin Shah, Shamshi Watan Khan, Shishar Mohammad Hassan, Sher Hassan Aziz Hassan, Amrin Mohammad Sher, Haji Said Kamal Sham, Malkay Gulay, Ziarat Khan Azaday, Khan Mohhamed Ahmed, Khan Mohammed Mubeen, Syed Ahmed Irfan, a certain Mr. Javed, Ansari Navaid Uddin, and Atiq Ahmed Khan.

Southcom intelligence said two Pakistani arrivals held a conference in Patikul which was attended by Abu Sayyaf founder Abdurajak Abubakar Janjalani and some other members.

The Pakistanis are nowhere to be found, according to the Bureau of Immigration and Deportation [BID]. But reports indicated they left the country through the backdoor, a violation of the immigration law that their port of entry must be their port of exit.

The Office of the Presidential Consultant on Military Affairs, in its report to President Ramos, concluded that the arrival of these foreign Muslims in Mindanao "gives credence to the notion that nationals from Islamic countries support the splintered groups of local secessionist movement."

Military reports further said that since last year, the Abu Sayyaf received about P [pesos] 12 million from foreign religious and revolutionary organizations, including one from Libya. Part of the foreign support was invested in certain businesses in Mindanao.

At least six nationals from Islamic countries were arrested. Four of them were released after immigration officials found their travel papers in order.

Dubious Characters

But despite the release of the foreigners, serious questions persist.

Is it true that one of them, Shamsodini Hosseini, an Iranian, was a good friend of Abu Sayyaf intelligence officer Abdul Asmad, who was earlier neutralized by the intelligence community?

Military spies claimed that Hosseini arrived in Zamboanga City at a time when the Abu Sayyaf was in its organizational stage.

And who is Khalifa?

According to reports, he is an Arab based in Manila who has had extensive involvement in the CIA-assisted Afghanistan resistance against the Soviets.

Sources from Zamboanga said Khalifa has always been "very active every time there are Abu Sayyaf activities in the south."

There were also reports that Khalifa had given Asmad a house and lot before the latter was neutralized by the military.

Does Khalifa have a record with the BID? Is he the same Khalifa who has been supervising the reported base of Islamic fundamentalism at the Almakdum University in Pitogo, Zamboanga City, which earlier went bankrupt?

And who is Mohammed Uri, an Iranian tagged by the military as the secretary general of the Moro Youth Solidarity Organization [MYSO], the youth arm of the Abu Sayyaf?

Intelligence reports said the MYSO is responsible for laying homemade bombs in Zamboanga City. It is reportedly funded by the Iranian student-members of the Islamic community in Manila.

Also of great concern is the use of terror tactics such as the car-bombing operations commonly adopted in the Middle East, especially in Egypt and Lebanon. This indicates the kind of foreign training the local extremists have undertaken.

Reliable Reports

But how reliable are military intelligence reports?

"Reliable, very reliable," Enrile said.

He said military intelligence information is categorized into two: reliable and to be verified.

Reports he has received on the involvement of aliens in Abu Sayyaf activities are both reliable and for verification.

"This is a combination," he said. "We have intelligence (reports) on this that are really, really very reliable. And it is stated so."

Defense Secretary Renato de Villa's quick dismissal of reports linking alien Muslims in the country to the Abu Sayyaf may be explained by a directive issued on 15 November 1985, by then Lt. Gen. Fidel Ramos, acting AFP chief of staff.

In this directive, Ramos warned AFP field commanders against making statements on issues involving foreign countries or nationals to avoid a diplomatic faux pas.

Ramos warned against issuing statements blaming the Lahad Datu- Maldanas (Siluag) incident on the Malaysian Armed Forces. Without high-level diplomatic talks on the incident, it could have become a full-blown conflict.

Nine years later, copies of the same directive is being circulated at Camp Aguinaldo as the crackdown by immigration and military agents on alien Muslims believed supporting the Abu Sayyaf in the south continues.

The stern order of President Ramos was clear. No specific countries or foreign nationalities should be named as this could strain the country's relations with other governments.

He said all press releases alluding to other countries, international and religious organizations, political parties with overseas ties and cultural minorities should be framed in "diplomatic language."

For example, instead of naming specific countries like Iran or Iraq, officials were asked to instead say "a certain Middle Eastern country."

Thus, Malacanang [presidential office] ordered Immigration Commissioner Zafiro Respicio to shut up.

Military Reports Counterinsurgency Success

BK0408070394 Manila MANILA BULLETIN in English 31 Jul 94 p B-14

[By Charlie B. Abagat]

[Text] Camp Servillano Aquino, Tarlac, Tarlac—Maj. Gen. Edgardo E. Batenga, commanding general of the Northern Luzon Command (Nolcom), reported that at least 81 percent of the strength of 24 communist guerrilla fronts operating in Regions I, II, and III, part of Region IV and the Cordillera Autonomous Region (CAR) have been decimated.

At a recent media forum organized by the Central Luzon Media Association (CLMA), Batenga told reporters that the number of the armed regulars of the New People's Army (NPA) in Northern Luzon, Central Luzon, and Cagayan Valley has been reduced considerably from more than 10,000 in 1988 to 4,998 in 1994.

The remaining rebel forces have 3,500 assorted conventional and high-caliber firearms.

In 1988, various communist groups in Nolcom's jurisdiction had exercised influence on 1,503 barangays [villages].

Batenga reported that 87 percent of these barangays have been liberated from the influence and control of the NPA.

At present, he said, the underground movement in the areas of responsibility of Nolcom does not pose a serious threat to national security.

Answering questions, the Nolcom commander said that there are indicators of the improved peace and order situation in Northern Luzon, Cagayan Valley, Central Luzon, parts of Region IV, and the Cordillera Autonomous Region.

These are, he said, the increased arrival of both local and foreign investors in the country; free movement by people in both the urban and rural communities; and, the reduction of violent incidents.

He warned, however, that the Communist Party of the Philippines-National Democratic Front-New People's Army (CPP-NDF-NPA) has still the capacity to reorganize and can exploit various issues such as poverty, diseases, the ignorance of the people, and injustice to promote the communist cause.

Batenga reported that only the Bulacan-Bikong and Benguet- Isabela-Quirino-Nueva Vizcaya-San Agustin fronts of the CPP-NDF-NPA remain operational.

He said, however, that the joint forces of the Philippine National Police and Nolcom can dismantle these fronts in one year.

The drive to dismantle communist groups in Nolcom's areas of responsibility started in 1988 with the launching of "Oplan: Lambat Bitag [Operation: Dragnet]."

Batenga, who is turning 53 on 3 August, said that Nolcom will continue to extend help to the poor and the needy through its civic-action programs and medical and dental missions which benefited 76,200 persons this year.

Government Prepares Antiabortion Brief

BK0308141794 Manila THE MANILA CHRONICLE in English 30 Jul 94 pp 1, 2

[By Gemma Tampus-Cuadro and Booma Cruz]

[Text] The government will take an anti-abortion position in the international conference on population to be held in Cairo, Egypt in September.

According to the position paper drafted by the Department of Health, "the Philippine Population Policy clearly enunciates that the national population program will consistently reject abortion as a means for delimiting or regulating child birth."

Manila Archbishop Jaime Cardinal Sin and the Catholic church's Council of the Laity of the Philippines (CLP) have lashed out at the government for allegedly endorsing abortion.

When President Ramos and Health Secretary Juan Flavier denied the accusation, the council accused the government of lying.

Yesterday, members of the Philippine delegation to the International Conference on Population and Development (ICPD) in Cairo blasted their critics for making accusations not based on facts.

Rep. Teresa Aquino-Oreta, co-chairman of the Philippine Legislators Committee on Population and Development, said the Catholic church's charges were picked from thin air. "We can always debate and argue, but let's debate based on facts, not on imputed motives imagined by people who were not present during any of the deliberations," Oreta said.

University of the Philippines Professor Prospero de Vera said if their critics had attended the preparatory talks to the conference held last April in New York, they would have found out that the Philippine delegation never supported an abortion provision in the draft document.

The government also made clear in its position paper that its family planning program is "non-coercive" and "respects the rights of men and women to choose how they want to plan their families."

It stressed that the government "believes in the sanctity of human life."

The paper said the government "subscribes to and strictly abides by the provision in the 1987 Constitution which ensures in equal degree the protection of the life of the mother as well as the unborn child from the moment of conception."

The government policy is anchored on "the conviction that an enlightened population program is essential to the achievement of our development goals," the paper said.

But church groups are not convinced that the government is really a pro-life as it claims to be. CLP President Antonio de los Reyes said the government's pronouncement's on the population issue is "a classic example of sugar-coated double-speak."

The CLP is an umbrella organization of Catholic parish priests and lay leaders in the country.

In a paper entitled "Global Apostasy," de los Reyes said the Philippine position on population issues has been influenced by American-dominated institutions like the United States Agency for International Development, World Bank, and the United Nations Population Fund.

He said the ICPD will be coming out with a program of action that would declare abortion as a human right in the name of reproductive health. He said the draft on the program of action that will be approved during the conference recognizes "the exclusive right to destroy the infant in their wombs in the name of individual freedom and maternal health."

De los Reyes said U.S. President William Clinton is "anti-life" and that the U.S. Government "openly advocates the institutionalization of abortion as a human right under the principle of individualism, reproductive health, and gender equality."

But in a speech delivered last 29 June, Clinton said "contrary to some assertions," the U.S. Government does "not support abortion as a method of family planning."

"Our policy in the United States is that this should be a matter of personal choice, not public dictation," Clinton said in his speech, a copy of which was obtained by the CHRONICLE.

In trying to avoid a collision course with the church on the issue of population, the government has agreed to call a dialogue with church leaders on 11 or 12 August.

"There is a mutual desire to dialogue. I see this as a good development," President Ramos said during his weekly luncheon with publishers and journalists yesterday at Malacanang.

The dialogue was sought by Bishop Jose Morelos, head of the Catholic Bishops Conference of the Philippines.

Bishop Jesus Varela met with the president Thursday night to fix the date and mechanics of the dialogue.

Despite the controversy surrounding the government's population program, the president declared 1 August of every year Family Planning Day.

Thailand

U.S. 'Solid' Evidence on Watthana Doubted

BK0408080694 Bangkok BANGKOK POST in English 4 Aug 94 p 3

[Text] Office of the Narcotics Control Board [ONCB] officials have cast doubts on the amount of solid evidence the United States has to support its allegation that Chat Thai Party deputy leader Watthana Atsawahem has been involved in the drug trade.

"I think the US has no clear and solid evidence against Mr Watthana. I think their allegation is based on the fact Mr Watthana bought a hotel business in Chiang Rai's Mae Sai District from those supposedly involved in the drug trade," said an ONCB official referring to former Chat Thai MP Thanong Siriprichaphong.

The official said the law in Thailand and the US is very different.

In the US, if the authorities suspect someone of being directly or indirectly involved in drug trafficking, action can be taken against him such as revoking his/her visa to enter the US if he/she is a foreign national.

Thai law requires much clearer evidence before action can be taken against a person.

The official refused to say if the Foreign Ministry or US had passed on any evidence against Mr Watthana to the ONCB .

Foreign Minister Prasong Sunsiri said Tuesday it was the ONCB's duty to follow up on the drug allegations against the Chat Thai MP.

"We still want to follow up the case and secure evidence," the official said.

He said Sqn-Ldr [Squadron Leader] Prasong's revelation in Parliament that the US suspected Mr Watthana of having been involved in the drug trade for 20 years was "an old matter".

The source also said the difference in the Thai and US cultures may be a factor in frequent allegations against Thai politicians.

"The cultures are different. In the US if the DEA (Drug Enforcement Administration) sees you having a meal with drug traders, that is enough to suspect you are not clean. If you accept expensive gifts from them, you are suspected of having vested interests and benefits.

Government Welcomes Israeli-Jordanian Pact

BK0308150994 Bangkok Radio Thailand Network in Thai 1200 GMT 2 Aug 94

[Text] The following statement has been issued by the Thai Government in connection with the signing of the declaration on the cessation of belligerency and plans for the normalization of relations between Israel and Jordan.

Regarding the signing of the declaration on the cessation of belligerency and plan for the normalization of relations between Israel and Jordan by the Jordanian monarch and Israeli Prime Minister Yitzhak Rabin in Washington on 25 July 1994, the Government of the Kingdom of Thailand wishes to welcome and express support for the signing of the peace agreement and believes that the agreement can lead to the success of the Middle East peace negotiations.

The Ministry of Foreign Affairs.

[Dated] 2 August 1994

Soldiers Arrested; War Weapons Confiscated

BK0408064194 Bangkok BANGKOK POST in English 4 Aug 94 p 2

[Text] Six Cambodian soldiers were arrested and a large quantity of war weapons confiscated yesterday afternoon, a police source said.

The source said a team of Crime Suppression Division [CSD] police was sent to a border village in Tambon Thap Sadet here following a tip-off that war weapons had been smuggled into Thailand from Cambodia for delivery to ethnic minority groups in Burma.

The CSD team, assisted by local police and the military's Burapha Task Force, arrested six Cambodian soldiers and seized the weapons.

Details about the actual quantity and types of the seized weapons were not available. But it was initially reported that the weapons included 36 AK-47 assault rifles, 9 sacks of AK-47 and 500 M-16 ammunition magazines, two RPG rocket launchers, seven rounds of RPG rockets, two SAM-7 rocket launchers, two rounds of SAM-7 and 441 rounds of 82 mm mortars.

Further on Protest Note to Cambodia

BK0408054994 Bangkok THE NATION in English 4 Aug 94 pp A1, A4

[Text] The Foreign Ministry yesterday strongly demanded that Cambodia observe proper human rights standards and international law in dealing with 14 Thais detained in Phnom Penh in connection with the failed coup in early July.

Permanent Secretary for Foreign Affairs Pracha Khunakasem yesterday delivered a protest note to Cambodia's Ambassador to Thailand, Roland Eng, demanding that Phnom Penh release the 14 Thais if there was no supporting evidence linking them to the coup attempt.

The note was the ministry's second diplomatic protest since the 14 were detained a month ago. Phnom Penh police rounded up the Thais at Pochentong airport as they were about to leave the country on July 3. Cambodia has not filed any charges against the men.

Foreign Minister Prasong Sunsiri told reporters at Government House yesterday that he would follow the case closely and that he did not want to see good bilateral ties between the two countries deteriorate.

He said he wanted to see more bilateral cooperation and that each side should refrain from accusing the other.

"I do not want the good Thai-Khmer relations to deteriorate because of any matter, but want to see more progress in bilateral cooperation. Any trivial misunderstandings or mudslinging accusations should not exist. I will follow the case [of 14 suspects] very closely to see what Phnom Penh will say," he said.

Foreign Ministry spokesman Suwit Simasakun said one month of detention was too long for people who did not know what offence they were charged with.

"The permanent secretary has expressed gravest concern over the fate of the 14 Thais who have been detained one month already, and Cambodia has failed to provide them access to legal counsel," the spokesman said.

He quoted Pracha as saying that the Thai public and relatives of the detainees are worried that the men could be pressured into confessing to crimes they did not commit.

"Khun Pracha said that in regard to relations between Thailand and Cambodia we believe Cambodia would not allow such action to happen," Suwit said.

He said the diplomatic note reminded Cambodia that "the Kingdom of Cambodia (is obligated under its constitution to) recognize and respect human rights as stipulated in the United Nations Charter, the Universal Declaration of Human Rights, the covenants and conventions related to human rights, women's and children's rights."

"The prolonged detention of Thai nationals is being effected without charge, without access to a competent court of judicial body and even without due right to proper consular access or due right to legal counsel or defence," Suwit quoted the memo as stating.

"This is clearly in violation of Cambodia's obligation to grant a minimum standard of protection to aliens under customary international law as well as Cambodia's obligation under the Paris Accords. Such obligations are expressly acknowledged in Article 31 of the Cambodian constitution," according to the memo.

Suwit said the detained Thais should be afforded proper consul access, including allowing the Thai ambassador in Phnom Penh enough time to talk to them. "We cannot help them, as the Thai envoy was allowed only to say 'hello and how are you' to the detainees," the spokesman said.

"In particular, Article 9 of the Universal Declaration of Human Rights provides in explicit terms that no one shall be subjected to arbitrary arrest or detention," Suwit quoted the note as saying.

He said that since their detention, the Cambodian government had allowed Ambassador Sakthip Krairoek to visit the Thais only three times, and each time it allowed him only a few minutes to talk to them.

"Thai authorities have provided full support to Cambodia in the investigation of the case. Recently, we helped check an identity card of one of the detainees and found that the supposed Thai army card was fake," Suwit said.

Also yesterday, Eng said the investigation was taking some time because it concerned national security. He cited similar cases in Thailand, such as the long time the Thai government was spending investigating the Saudi gem disappearance case and the bombing attempt at the Israeli Embassy.

Suwit, however, countered that in both cases cited by the Cambodian envoy, Thai authorities had proceeded with legal action against the suspects only after filing charges against them.

"Moreover, in the bombing attempt at the Israeli Embassy, Thai police had allowed the Israeli ambassador to visit the suspects and talk about the details," the spokesman said.

Eng told reporters that Phnom Penh wants more information in the case which it takes very seriously. He said investigations had revealed the case to be bigger than initially expected.

"I believe a few (of the 14 Thais) were involved in the attempted coup," said the Cambodian envoy, who is the brother-in-law of Cambodia's Prime Minister Prince Norodom Ranariddh. He did not give further details.

Suwit said that in response to a question to Eng, the Cambodian ambassador said he did not know how many days Cambodian law allowed police to detain a person without charge.

Ambassador Eng was quoted as saying that Cambodia is seeking Thailand's understanding that the case is not a minor one, as a Cambodian prince, military general and minister had already been arrested. He said authorities must be sure of their information before charging anyone in the case.

"You have to understand that Cambodia has no interest in [continuing to provide room and board to] innocent people. They are not in jail, they are in hotels. However, we are speeding up the investigation, which is now becoming complicated," the envoy said.

Meanwhile, Prosecutor Wichan Thammsucharit suggested that the Thai government send lawyers to Cambodia to act as intermediaries between Cambodian lawyers and the 14 suspects, who do not speak English and have no knowledge of Cambodian law.

Thai lawyers would listen to their testimony and establish what legal steps Thailand could take if they plead innocent.

He said the proposal to send Thai lawyers was being misinterpreted and would not interfere with the Cambodian judicial system.

"Sending lawyers to Cambodia would not mean they will represent the accused in a Cambodian court," he said.

So far, no evidence has been produced, nor have any charges been brought by a Cambodian court against the Thais, some of whom were accused of taking part in the attempted coup on July 3.

* Burma Energy Projects' Backers Noted

94SE0153A Bangkok PHU CHATKAN RAI DEUAN in Thai May 94 pp 150-162

[Article by Nutsara Sawatsawang and Suphalak Kanchanakhundi of the Indochina Information Center]

[Excerpts] At the end of January, a small group of Thai businessmen, including a PHU CHATKAN reporter, crossed the Thai border in Mae Hong Son Province and traveled through the jungle to Ho Mong, Khun Sa's stronghold in the Shan State in Burma.

During the trip, the only important question asked the man who controls this area was, "Will it be possible to build a dam across the Salween in the Shan State?" Chang Si Fu (Khun Sa's Chinese name), an international narcotics kingpin, responded by saying "yes, but the details must be discussed." Was that a straightforward answer, or was there a concealed meaning? And what will the outcome of this really be? These are the questions that remain unanswered.

Not long after they returned, Kheunsai Chaiyen, Khun Sa's secretary, sent a telegram stating that at a meeting of the Shan State Restoration Council, it was agreed that if any agreement is signed with the Slorc government in Rangoon concerning some project, if that project is located in the Shan State, it will be considered to be invalid.

That was the first group to talk with Khun Sa about developing an electric power project. Because actually, both Thailand and Burma have long been interested in developing the water routes along the border. But the idea of building a hydroelectric dam arose just in April 1988 when representatives from the two countries held negotiations. At that time, they discussed just the broad principles. [passage omitted]

While the Thai-Burmese diplomatic process on the Salween dam project has been moving very slowly, three private Thai companies have applied to build the Salween project. The World Impex Company of Dr. Channarong Tochuwong, was the first Thai company to ask the Burmese government for permission to build a hydroelectric dam across the Salween River. Dr. Channarong is familiar with both the terrain in northern Thailand and he is close to various power groups in Burma. He has been involved in developing areas in the 3d Army Region.

Dr. Channarong has good relations with both the Thai and Burmese militaries. In particular, he was very close to General Suchinda Khraprayun during the time that Gen. Suchinda served as army commander-in-chief [RTA CINC] in 1989. That was the year that he proposed this project. And he received constant support. After Gen. Suchinda was appointed vice president of the National Peacekeeping Council, relations between Thailand and Burma were quite good, particularly between the military leaders of the two countries. Besides this, Dr. Channarong was well known to people in the Internal Security Operations Command and the Army War College. Also, he once served as an adviser to the RTA CINC during the time that General Athit Kamlang-ek served as RTA CINC and supreme commander.

Ever since the World Impex Company submitted its proposal on the Salween project, as time has gone by, more and more people have wanted to play a role in this project. This includes people in both the public and private sectors of Thailand. But to date, there has not yet been any indication of how the Salween project will turn out.

"The goal of this hydroelectric dam project is to provide Burma with free electricity and prevent water shortages in Thailand in the future. This will also help to make up for Burma's having destroyed Thai towns and cities in the past," said Dr. Channarong recently to PHU CHATKAN about this project.

Initially, he asked the Burmese government for permission to build a dam across the Salween River in the Shan State, Burma, approximately 70 km north of Wiang Haeng District, Chiang Mai Province. That dam would generate approximately 6,000 megawatts of electricity. He proposed giving 10 percent of the electricity to Burma free of charge for use in that country. The rest would be sold to Thailand at a suitable price. And he asked to channel about 30 percent of the water from the Salween River into the Ping River in Thailand. That would not affect the amount used to generate electricity.

The Burmese government asked the World Impex Company to revise its proposal several times. For example, Burma suggested that another dam be built first at Pao Luang near Pyinmana, which is in central Burma. That was to be a small dam, and all the electricity generated would go to Burma. As for the Salween dam project, it was proposed that the dam be international property, which means that the Burmese government would have given up its rights to the area where the dam is located.

Finally, World Impex asked for a 30-year concession on this hydroelectric dam beginning after construction is completed, which will take at least 5-6 years. It proposed paying $10 million a year in compensation to the Burmese government during the construction period, $200 million year during the first 5 years of operation, and $500 million a year until the end of the concession period. After 30 years, the Salween dam would become the property of Burma.

But that plan did not get too. Brigadier General David Abel, the then Burmese minister of commerce, planning, and finance, issued a letter on 26 November 1992 approving in principle allowing the World Impex Company to survey the dam site. But the company would be required to deposit $1 million into an account of the Burmese government. This money, which was to be paid through a Singaporean bank, was to serve as a guarantee for the use of this dam construction site. But that was a period in which the World Impex Company encountered problems in finding others to join it in doing the survey and construction work and finding sources of capital.

Dr. Channarong had to abandon the Salween project and turn to agricultural activities in Burma, a number of which were initiated within a short period of time. He still believed that some allied group would respond and be willing to participate in this project, even though that would mean that he would have to start from scratch again.

Besides the World Impex Company, which has already submitted a project proposal, there are two other Thai groups that are just interested in the Salween project as Dr. Channarong. One of those is the Thawet Group of Wikrom Aisiri, the owner of the Dusit Highland Resort Hotel. Wikrom is interested not only in the Salween dam project but also in forest resources north of the dam. His chances are just as good as those of others because of his ties to senior military officers in the Burmese military government.

His business activities started from timber operations in Burma. He was granted a 30 year lease on Son Island near Victoria Point opposite Ranong Province to build a resort. Later on, he entered into a 48:52 percent joint venture with a Burmese state enterprise to build a factory to cut gemstones and make jewelry.

Similarly, the Locksley Company and the MDX Company, to which Mr. Subin Pinkhayan, the former minister of commerce serves as an adviser, and which participated in the Nam Theun Dam in Laos together with the Nordic Company of Norway and Sweden, informed the Burmese government that they, too, were interested in this. Later on, the Locksley Company withdrew its name but was prepared to work with the company that won this project. At the same time, the MDX Company continued to move ahead, and in May, Subin traveled to Burma to discuss this matter again.

Those in the public sector are just as interested in this as those in the private sector. Every time officials visit Burma, they discuss the Salween project with Burmese officials. It seems as if this has become a campaign issue among ministers and House subcommittees members.

Concerning this issue, Brigadier General David Abel, the former minister of commerce, planning, and financial affairs and the current minister of national planning and economic development, told PHU CHATKAN that the Salween project is a large project that will require at least $13.55 billion, or 338.75 billion baht, to build. He does not think that any one company can do this alone. Companies should work together or form a consortium.

"When people propose making a land or aerial survey, carrying out parts of the project, or doing everything themselves, I tell them not to waste their money. The Salween river originates near the Chinese border and flows to the sea. Thus, I tell them that they can't spend that much money to conduct surveys along the entire length of this river. If they did things alone, it would take 20 years. I think that these companies need an adviser and that they should form a consortium. We have to see where they are going to get the money from. Once everything is clear, surveys can be conducted. There are many places that need to be surveyed," said Brigadier General David Abel.

Besides this, one of the things that Brigadier General David Abel has constantly stressed is that it will be impossible to carry out this project without the cooperation of the Thai government. In particular, the Electricity Generating Authority of Thailand [EGAT] must act as a guarantor for this project.

Thus, Burma is now delaying things in order to get a clearer picture of Thailand's attitude, claiming that Burma must carefully consider the wording of the memorandum of understanding submitted by Thailand. And it has asked to study the feasibility of this project. This will probably take at least 2 years.

However, the Burmese government is not the only variable in considering the feasibility of the Salween project. This is because the sites of the Salween project as proposed by those in the Thai private sector and by EGAT, which has employed the Japanese Electric Power Development Company, are all located in minority group areas, that is, Shan areas controlled by Khun Sa and areas controlled by the Karen national liberation forces of General Bo Mya. And at this time, it seems unlikely that the peace talks between the military government and the various minority groups will achieve much (see below).

Even though the Salween project is becoming more and more complex, Thailand is still trying to turn this into a reality. Recently, Wirasak Futrakun, the Thai ambassador to Burma, said that in the negotiations, it should be possible to separate the issue of altering the course of the river using a water drainage tunnel from the issue of building a dam. This is because we don't need to wait for the results of a feasibility study. He said that Burma has responded favorably to the proposal made by the Thai embassy in Rangoon.

Sawit Phothiwihot, the minister attached to the Office of the Prime Minister, who is responsible for tourism and energy, said that the proposals made by Thailand in that memorandum of understanding are too "broad." The Thai units concerned must clarify what this project will be used for in order to generate the greatest benefits. At the beginning of May, as a representative of the Thai government, he traveled to Burma to discuss this issue.

The task of the Thai government and Thai private sector is to turn the Salween project into a reality. Thus, decisions must be made about the feasibility of this, and negotiations must be held with various power groups in Burma that might be affected. This should include the benefits to be derived regardless of where the sites are located.

It seems that building government-to-government trust is the thing that the Burmese military government wants the most from Thailand. But that is a question that Thailand can't answer very easily.

[Article] by Suwat Kikhunthot

The World Impex Company has offered the Burmese military government $13.55 billion, or approximately 338.75 billion baht, for a 30 year concession to the Salween Dam. Such an amount is very tempting for a country such as Burma that is at a turning point in rebuilding the country.

In addition to the reasons that the Burmese government has given to the World Impex Company and several other companies that have submitted proposals in an effort to win this concession, it seems that the minority groups that occupy areas in the Shan State and Salween river basin pose an important problem that could keep the Salween dam project from ever getting off the ground.

"It will not be possible to build a dam across the Salween River until our Shan State is free from Burma," said Khun Sa, or the internationally-known "heroin kingpin," forcefully when he learned that people were planning to build the largest dam in the region in the Shan State. In particular, the most favorable site for building this dam is in Khun Sa's zone of influence. At the beginning of the year, a group of Thai businessmen met with Khun Sa in the Shan State in order to get his views on the Salween dam project.

In his capacity as the president of the Shan State Restoration Council, Khun Sa controls a liberated area totaling approximately 1,800 square km in the Ban Na Mon, Mong Mai, and Ho Mong zones. The entire Shan State covers an area of 161,910 square km. He also commands the "Tai Army," a force of more than 10,000 men equipped with modern weapons. These forces defend the liberated area and protect the "opium caravans" and movement of other goods such a gemstones, jade, ivory, and so on. This earns Khun Sa's forces huge profits and has enabled them to fight the Burmese military government for several decades.

Besides being a "secure zone" that must be defended at all cost, Khun Sa's liberated zone is also an important "granary," and he certainly won't let anyone touch that area. Thus, if the Burmese military government agrees and grants a concession to some company to build a dam across the Salween river, the Burmese government will have to find a way to "deal with" Khun Sa.

"There are no minority groups in Burma. We have a union. We are the ones who will eliminate Khun Sa," said Brigadier General David Abel, the minister of national planning and economic development, to reporters when asked what the Burmese government will do if Khun Sa opposes the Salween dam project. However, it will not be easy for the Burmese military government to allow Khun Sa to govern the Shan State freely as he has demanded. Besides the fact that this would be a violation of the constitution now being drafted, that could be construed as giving in to this minority group, which has been demanding the right of self-control for almost 50 years. And that would set an example that other minority groups could use in their peace negotiations with the Burmese military government. [passage omitted]

[North of Pai District, Mae Hong Son Province]: Site of the upper Salween project (in Burma). Generating capacity of 4,000 megawatts. Average electric power of 20,000 million kwh (section in Burma).

[Northwest of Mae Sariang District]: Upper Salween dam with a generating capacity of 4,540 megawatts and average electric power of 29,271 million kwh.

[Due west of Mae Sariang District]: Lower Salween dam with a generating capacity of 792 megawatts and average electric power of 5,422 million kwh.

[North of Moulmein, Burma]: Site of the lower Salween project. Generating capacity of 6,000 megawatts. Average electric power of 35,000 million kwh (section in Burma).

* Army Commander on Weapons Trafficking to Burma

94SE0171A Bangkok SIAM RAT in Thai 2 Jun 94 p 4

[Text] Lieutenant General Kitti Rattanachaya, the 4th Army Region Commander, said that if police officials encounter problems in handling cases involving officials or suspected weapons traffickers, they should inform him. The 4th Army Region will provide full support even if this involves a unit directly subordinate to the 4th Army Region. This is because weapons trafficking and profiting from such activities is wrong.

Several shipments of weapons have been seized in Ranong Province. Data indicates that the weapons traffickers rent fishing boats to smuggle the weapons to minority groups in Burma. At the same time, a report states that some government units have very good relations with the minority groups in Burma.

The 4th Army Region commander said that resolute action must be taken to suppress weapons trafficking in the south. If these Thais are not suppressed, there will be huge economic losses. He said that he recently received an appeal from the Ranong provincial Chamber of Commerce.

As for the reports that security units are involved in this or have relations with minority groups in Burma, Lt. Gen. Kitti said that if they are trying to gather intelligence, that is their duty. But if they are trying to profit from timber or weapons activities, the police can arrest them and file charges against them. In such cases, they can't use national security as an excuse.

Burma has confirmed that people are secretly felling large numbers of trees in Burma, particularly in the area opposite Ranong and Chumphon provinces. When asked about this, the 4t Army Region commander told the reporters that they should ask Ministry of Interior and Forestry Department officials about that. The army will get involved only if minority groups cross the border. "The army can't get involved in that. People will accuse us of trying to make a profit or gain power. It is the Ministry of Interior that is responsible for internal order."

Mon Civilians Driven Across Burmese Border

BK0408070794 Bangkok BANGKOK POST in English 4 Aug 94 p 3

[Text] More than 500 Mon civilians fled into Thailand on Tuesday night after a fierce battle between Mon rebel soldiers and Burmese troops near their settlement at Halockhani camp.

Mon rebel sources said that the fleeing Mons are those who fled to Thailand late last month when Burmese troops torched their campsite. They returned to their camp to resettle and guard their property.

Another source said that about 300 Burmese vendors and their families from Phra Chedi Sam-ong (the Three Pagoda Pass) fled to Thailand.

But Sangkhla Buri District chief Kamon Rangsiyanon led the local police, Border Patrol Police and rangers to the area where the Burmese villagers sought refuge to push them back across the border.

Kanchanaburi Governor Nat Siwihok said that the battle between Burmese troops and Mon rebels would not affect Thailand because the fighting is in Burma.

As for the Burmese traders at Phra Chedi Sam-ong, they will be pushed back when the battle ends, he said.

A few days ago, a group of Mon refugees staged a rally asking to be resettled in Thailand.

The rallying refugees also carried posters with them with slogans denouncing the Burmese Government for violating human rights and killing innocent people.

Official Denies Reported Visa Rejection

BK0408060594 Bangkok THE NATION in English 4 Aug 94 p A5

[Text] Deputy Foreign Minister Surin Phitsuwan yesterday denied knowledge about a report that a visa extension application by al-Arqam leader Ashaari Mohammed has been rejected.

Surin said citizens from Asean member states could travel to Thailand for a 15-day stay without having to apply for a visa.

"Those entering Thailand with valid passports are protected under the Thai constitution and will not be subject to legal action if they did not act against the law," he said.

He said that he did not know who refused to extend the visa of the leader and members of the al-Arqam group.

Surin also said last month's reports accusing al-Arqam members of using Thailand as a base for training suicide squads had been rejected by the Malaysian government.

Malaysian Foreign Minister Abdullah Badawi personally informed Surin in the presence of the Bangkok-based Malaysian ambassador during the 27th Asean Ministerial Meeting last month that Malaysian Prime Minister Mahathir Mohamed had made no allegation that there was any group using Thailand as a base for military training.

According to a Malaysian embassy source, Mahathir said on Monday the Malaysian government would prosecute the al-Arqam leader if he returned to Malaysia. He was quoted to have said there was enough evidence that the group's teachings deviated from the teachings of Islam.

The source said religious affairs ministers of Brunei, Indonesia, Malaysia and Singapore who began a two-day meeting in Langkawi yesterday would decide the fate of the movement.

Al-Arqam is an Islamic movement started in 1968 aimed at cultivating personal morality among Muslims through adherence to the rituals of Islam. The group's members believe that their leader Ustaz Ashaari is the Imam Mahadi (the Messiah).

Ustaz Ashaari is known to be trying to establish extensive business and political connections in countries where his group does business.

Earlier reports suggested the group had headquarters in Chiang Mai. Thai authorities and police said there was no evidence the group was involved in anything illegal.

Surin said Thailand practices free market policies and foreigners are allowed to do business in Thailand if their business does not offend Thai laws.

Al-Arqam Members Left 'A Few Days Ago'

BK0408071194 Bangkok BANGKOK POST in English 4 Aug 94 p 2

[Text] A group of 13 Al-Arqam members led by Ashaari Mohamed left Thailand for Jordan a few days ago, according to Deputy Police Director-General Gen Phongamat Amatayakun yesterday.

Pol Gen [Police General] Phongamat said he did not know whether the group would return to Thailand but he did not think there was any reason to stop them if they have proper visas and passports.

He said Malaysian police chief Gen Rahim Noor asked Thai police during a recent meeting in Chiang Mai to help keep a close watch on the activities of Al-Arqam members in Thailand on the basis that their belief supposedly deviates from Islamic principles.

Earlier reports said members of the group had sought to have their visas extended but were refused by immigration police.

Negative Impact of Mekong Diversion Plan Denied

BK0408063394 Bangkok THE NATION in English 4 Aug 94 p A8

[Text] A senior Thai official has defended the Mekong-Chi-Mun water diversion scheme, saying the project would not threaten other member states of the Mekong Committee as claimed by Laotian representatives.

The Thai official affirmed that the full scale of water diversion under the scheme would be done only on one condition if, in the future, there will be the presence of a mainstream dam in the Mekong River. But he indicated that the Chinese construction of mainstream dams in the Upper Mekong could keep the project going ahead to the fullest.

According to Dr Prathet Sutabut, director general of the Department of Energy Development and Promotion (DEDP), the present stage of the Mekong-Chi-Mun project does not involve the use of water from the international Mekong River.

He said the diversion of water from the Mekong will start 15 years later. But the amount of diverted water at the initial stage from the Mekong River will be rather small, only about 80-90 cubic metres per second.

Earlier, a Laotian representative expressed concern that the project would divert 300 cubic metres per second from the Mekong, which is almost half of the water flow at a certain section, near Thailand's Nong Khai Province, in the Lower Mekong Basin in the dry season.

Laotian officials also previously warned that the ongoing construction of the Mekong-Chi-Mun scheme will result in a sharp reduction in water flow in the Lower Mekong Basin, especially in the dry season, and could cause a serious impact on navigation in Laos, on the water level in the Tonle Sap Lake in Cambodia, and on rice farming due to saline intrusion in Vietnam.

"We will not immediately divert all 300 cubic metres of water (per second) from the Mekong. We will tap only 90 cubic metres of water in the early stage. And this will be done gradually. So it will not threaten navigation in Laos," said Prathet.

He added that the amount of pumped water in the dry season will be gradually increased from five or 10 cubic metres until it meets the target demand of 90 cubic metres per second. To avoid overtapping of water in the mostly dry months of March and April, the authority plans to channel some water in the wet season to storage facilities for use in the dry months.

Prathet said the diversion of the targeted 300 cubic metres from the Mekong had still not materialized. The government has only approved the first phase of the Mekong-Chi-Mun project.

However, Thailand's full scale Mekong-Chi-Mun diversion scheme will be made possible in the future if the long-proposed Pha Mong Dam in the Mekong Committee plan eventually gets the construction go-ahead, he told The Nation.

"If there is no Pha Mong Dam, the implementation of the [full scale] project will depend on the surplus water flow from China's upstream dams which will be built on the mainstream of the Upper Mekong Basin," said Prathet.

According to Prathet, China has 15 dam projects to be built on the Upper Mekong Basin. Of these, the Man Wan Dam has already been completed; and the construction of another two dams; the Chiaw Wan and Lan Xang, is currently under way. Each has a water storage capacity of more than 10,000 million cubic metres.

"So far, the Man Wan Dam in China has increased the volume of the low flow season in the Lower Mekong Basin," noted Prathet, adding that about 30 cubic metres of water flow has been added to the low flow of 700 cubic metres per second at the water section near Nong Khai in the dry season.

Dr Prathet said the diversion of 90 cubic metres of water per second falls within the rights of the country to exploit a certain portion of the water resource of the Mekong River.

* Commerce Considers Antimonopoly Law

94SE0168F Bangkok BAN MUANG in Thai 13 Jun 94 p 7

[Text] A report from the Ministry of Commerce stated that the committee studying the draft goods and services price adjustment act and the trade competition act—these two bills were removed from the 1979 Pricing and Anti-Monopoly Act in order to ensure that the laws are implemented efficiently—has reported that each of the subcommittees has completed its work. The committee is preparing to submit the draft acts to the Legal Affairs Committee for consideration. Once this committee has approved these bills, they will be submitted to the cabinet before being submitted to parliament for promulgation.

The report stated that these two laws will be used in place of the original law, which was too broad and which made it difficult to implement. At the same time, the objectives in promulgating these are different. Once things have been clearly separated, trade activities will be fair for all sides. No one will have an advantage over someone else. Today, for example, some goods have little competition, and so they enjoy a monopoly in a free trade system. The Goods and Service Price Control Act will focus on protecting the interests of consumers to ensure that they are not exploited with respect to prices and the cost of services. The Trade Competition Act will help establish a trade system for businessmen.

"These draft laws will be submitted to the cabinet again even though it has already approved them, and the three deputy prime ministers, that is, Mr. Amnuai Wirawan, Mr. Suphachai Phanitchaphak, and Mr. Bunchu Rotchanasathian, are the people responsible for the promulgation of these laws. This is because these laws affect both businessmen and consumers. Thus, things must be considered very carefully, and there must be a high degree of unanimity. Because if a mistake is made, that will affect our free trade system. At the same time, in opening up our goods and services markets in accord with the GATT conditions, there must be clear laws that can be implemented easily."

The report stated that The Trade Competition Act has abolished announcing monopolistic businesses. Previously, the central committee in charge of stipulating prices and preventing monopolies had the authority to issue such announcements. Now, companies can request permission from the Trade Competition Committee. This change has been made in order to give businessmen greater confidence in making investments. Also, in stipulating the actions of businessmen to prevent them from gaining a monopoly over controlled goods, the matter will be considered based on the volume of sales for those types of goods or on market share in order to determine whether things are being done properly. At present, South Korea uses market share as the framework for considering things. The Price Control Act stipulates the powers and duties of the various-echelon committees and the penalties for those who commit violations, such as price churning. However, each industry will have been considered to determine how they can operate in accord with these new laws.

* Special Branch Budgets, Internal Politics

94SE0154A Bangkok MATICHON SUT SAPDA in Thai 27 May 94 p 82

[Unattributed article: "26 Million To Upgrade the Intelligence Work of the Special Branch Under "Narongwit Thaithong"]

[Excerpt] "The Special Branch must upgrade its intelligence work so that it is first-rate again," General Chawalit Yongchaiyut, the Interior Minister, announced to the units at Pathumwan in front of the commanders in khaki who had crowded into the meeting which was held after many incidents had exploded in Thailand.

Such an announcement had been made by this Interior Minister once before after the incidents of the savage May.

At that time Police Lt. Gen. Phibun Kunlawanit had just assumed the position of Commander of the Special Branch. Big Chiu [Chawalit] came to visit the Special Branch Police and announced that he would support a budget of hundreds of millions of baht to revive intelligence work.

It had reached the point where they had the Special Branch Police meet at the ministry at Khlong Lot to pick up big cases of communications equipment and then return to use it in their work.

At that time Big Phibun smiled with admiration at the intentions of General Chawalit and praised the master of the [Interior Ministry] unceasingly.

Major General Phibun waited in anticipation for almost 2 years.

Then commander Phibun became seriously ill and recently died. There is still no hint of when the budget mentioned will reach the Special Branch.

When Police Lieutenant General Phibun left without any hope of returning, the [Committee of Police Personnel] or K.TR. met last 18 May to select a replacement.

The committee resolved that Police Major General Narongwit Thaithong would be the next Special Branch Commander.

At the same time Big Chiu raised the hopes of the Special Branch again by giving it the opportunity to make a budget for developing intelligence work.

Police Major General Prung Bunphadung, the Commander of Special Branch 1, the head of Special Branch intelligence work, met with those under his command, and they developed a basic budget of 26 million baht and sent it to General Chawalit to consider immediately.

If this budget is considered favorably as expected, then the responsibility for spending this huge budget will fall immediately to Police Major General Narongwit, the new Special Branch Commander.

He is considered to be a good, capable policeman, however his assumption of this important position "shocked" intelligence circles in the Special Branch.

His selection as Special Branch Commander was very much against the wishes of those in the Special Branch. Previously the intelligence specialists in the Special Branch had generally demanded that Police Maj. Gen. Wira Wisutthakun, the Special Branch Deputy Commander and an old hand in the Special Branch, be given the top job in this unit.

A source revealed that a person on the [Committee of Police Personnel] had objected vehemently to Police Major General Wira's being given the position. His reason was that Major General Wira was not effective in gathering intelligence or developing people.

In the end Major General Wira lost out and was moved to the position of Commander of the National Security Council replacing Police Lt. Gen. Suriya Moranon who was ordered to the reserves just hours before the meeting of the [Selection Committee].

Missing the position of Special Branch Commander did not make Deputy Wira feel slighted at all because "Wira" knew that the commander had to choose those whom he trusted first.

Wira may have been thought to have been in the circle of Police Gen. Sawat Amonwiwat, the former Director of the National Police Department, and so was passed over for this position.

The source said that what hurt Deputy Wira was the slander expressed by one commander who attacked him at the meeting of the [Committee for Police Personnel] saying that "Wira" lacked competence in intelligence work and in developing people.

Even though he had advanced in the general headquarters of the Special Branch since it had been a headquarters, he had been trusted by such internationally known directors of the National Police Department as Police General Phao Sarasin to be a commander in the Special Branch, and intelligence specialists in various units felt he was very skillful.

His character was such that he never showed disrespect toward anyone. When Police Lieutenant General Phibun was sick, many people felt that the work of running the Special Branch was done completely by Wira, but he still felt that he was just deputy commander and did not want to show disrespect to his commander.

What was most important was that he left the secret budget which was at the heart of operations under the responsibility of Police Lieutenant General Phibun as the Special Branch Commander. It was not his nature to ask Phibun to transfer the power to spend the secret budget to him while the "boss" was lying in a stupor.

In any case the respect shown by Wira then and the serious incidents which exploded in various areas were his weak spots which caused him to "fall" at the meeting of the [Committee for Police Personnel] on 18 May.

It will be at least 1 year from this date that Police Major General Wira will have to leave his position in the Special Branch Headquarters for the command of the National Security Council and leave the job of upgrading intelligence work to Police Major General Narongwit under the policy of General Chawalit while he waits for the enormous budget which Big Chiu has given reason to hope for.

The 26 million baht which the Special Branch asked for was just a basic supplementary budget to increase the teeth of the Special Branch.

Many people could not believe how few inspectors there were in the first headquarters which was in charge of intelligence work.

Previously one inspector had to cover four to five provinces. There were no vehicles to use in getting information. They had to depend on buses to go out into the countryside to distant villages to get the information to report to their commander.

The [two-way] radios which the Special Branch police received, aside from being too few, were of poor quality and could not be used for long distance transmission because the transmitters were too weak.

The inferiority of the equipment led to inadequate results which were late.

So initially the Special Branch had to fill the need for basic equipment by requesting a supplementary budget of 26 million from the government.

Later First Special Branch Headquarters would assign each inspector intelligence responsibility for just two large provinces or four small provinces. If there were insufficient personnel, it would be up to the responsible deputy commander to take care of the provinces left over. If there still were not enough personnel, the deputy inspector with seniority would be entrusted to participate.

At the same time automobiles would be purchased for the Special Branch units - one for each province. At present they would need 49 more automobiles to fulfill the plan.

As for communications, which have been a problem, communications equipment would be purchased for the Special Branch units of each province. As for the Special Branch police who had to travel far into the countryside, 15 communications vehicles would be allocated, three for each of the five [commands].

These communications vehicles would perform the function of relaying the radio signals from the police in the area to the big transmitter at the Ratchadamri radio station. From there the information would be reported to the Joint [Operations] Center in Bangkok.

The source said that sometimes the Special Branch had to work in areas 90 km from a provincial unit. Portable telephones could not be used, and radios did not have the range. The police in such units had to gather all their information and then board a bus to return and send the information. This made the reports very late.

Using a communications vehicle to relay the signals would make reporting quicker.

But this just laid the foundation for intelligence gathering. Later on the Special Branch would probably need to request another large budget for intelligence gathering.

From past experience the Special Branch knew that begging for a budget from the Bureau of the Budget was "not worthwhile" because when the general headquarters of the Special Branch was headquarters, it had tried this.

At that time Police General Sawaeng Thirasawat was the Director of the National Police Department, and the department had a secret budget of 20 million baht while the Special Branch, which had 13 [commands], received a secret budget of only 100,000 baht per month.

On average one [command] received a secret budget for gathering intelligence of only about 2,000 to 5,000 baht per month. Only the [commands] in two Special Branch headquarters, received financial support from the profits of the Ratchadamri radio station affiliate, but this averaged to only about 20,000 baht per month.

When the Special Branch raised its status to that of a general headquarters, the budget of the National Police Department was increased to 30 million baht while the secret budget which the Special Branch received remained the same. This budget was divided such that the first headquarters, which was responsible for intelligence, received about 40,000 baht, the second headquarters, which was responsible for combating terrorism, received 20,000 baht, and the administrative headquarters received 4,000 baht. What remained the commander could use for contingencies.

If the 40,000 baht budget of the first headquarters were distributed among its five [commands], each would receive a budget of only 5,000 to 10,000 baht.

The source felt that the intelligence budget received by the Special Branch was very small. It averaged only about 1.2 million baht per year while the secret account of the military at hundreds of millions of baht per year was more than enough.

The same source said that in the past they had requested a similar secret budget for the Special Branch. This was divided into budgets to purchase intelligence gathering equipment, automobiles, motorcycles, communications equipment, and a budget to create intelligence sources. Apparently the project to create intelligence sources was not considered out of fear that if this were submitted with the 30 million baht secret budget of the National Police Department, it would be cut.

The source said that the person who submitted the secret budget of 30 million baht to the department in Pathumwan told the meeting of the budget committee that the budget would be used for security work and criminal investigations etc. and the Director of the National Police Department was the only person who could authorize its expenditure.

If the Special Branch had submitted its secret budget request, it would have been duplication, and the secret budget of the National Police Department might have been cut. So this matter was dropped at the meeting immediately.

Since then the Special Branch has had to work with a secret budget of 100,000 baht per month as in the past.

Therefore it is not surprising that Police Lieutenant General Phibun smiled when he heard that Big Chiu would support a Special Branch Budget of many hundreds of millions of baht.

Now General Chawalit has given the "green light" to the Special Branch to develope and request a budget to improve intelligence again. He promised to support it fully as before. [passage omitted]

Vietnam

Government Issues Decree on Diplomatic Immunity

BK0308142294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Aug 94

[Text] The SRV Government issued a decree on 30 July, providing stipulations governing the implementation of an order on the prerogatives and immunity for diplomatic missions, foreign consular organs, and representative offices of international organizations in Vietnam.

The decree contains four chapters and 18 articles. The clauses stipulated in the decree will create favorable conditions for the relations between responsible Vietnamese authorities and the representatives of various diplomatic missions and international organizations in Vietnam, as well as for the activities of the representatives of these authorities inside Vietnamese territory.

Do Muoi Speaks at Party Plenum

Part 1

BK0208122894 Hanoi Voice of Vietnam Network in Vietnamese 1300 GMT 1 Aug 94

["First part" of Party General Secretary Do Muoi's Speech at Seventh Party Central Committee's Seventh Plenum in Hanoi; date not given: "Further Step Up the Cause of National Industrialization and Modernization for the Purpose of Building A Prosperous People, A Powerful Country, and an Equitable and Civilized Society"—read by announcer]

[Text] Comrade advisers; comrade members of the party Central Committee; and all comrades present: To substantiate the resolution of its mid-term national party conference, the Seventh Party Central Committee will be discussing the orientations, advocacies, and policies aimed at further stepping up the process of national industrialization and modernization.

During its preparatory process, the Political Bureau and the party Central Committee Secretariat directly gave their views so the Preparatory Subcommittee could amend and rectify a report to be submitted to the party Central Committee's plenum. The large-scale solicitation of views from various party committees, scientists, management cadres, veteran revolutionaries, high-ranking retired cadres, and some overseas Vietnamese statesmen created favorable conditions for mobilizing the wisdom of many collectives and individuals to refine the report. Thanks to this, the quality of the report was improved, and this report was then used as a basis for discussions and decisions by the party Central Committee. As you—the comrade members of the party Central Committee—carefully studied the contents of the report, I will not recall it here but will only further clarify on some following issues:

As cited in the report, industrialization is a process of effecting a fundamental and comprehensive change of all socioeconomic activities from the primary use of manual labor to the prevalent use of labor together with modern and advanced technologies, means, and methods to create high social labor output. As far as our country is concerned, this is a process of implementing the strategy for socioeconomic development aimed at turning a backward agriculture-based society into an industrialized one in conjunction with efforts to gradually establish modern production relations to increasingly reflect in a more adequate manner the superior character of the new regime.

Industrialization and modernization must be able to create material and technological science conditions needed by human beings. They must be able to effect a change for the better in the economic structure to mobilize and effectively use all resources, constantly increase social labor output, achieve rapid and lasting economic growth, improve the material and cultural life of the people, achieve social equality and progress, and protect and improve the ecological environment.

In fact, we have for many years now raised the issue of industrialization, regarding this as a central task for the whole transitional period to socialism. This time there is something new, that is, the question of linking industrialization and modernization with the widespread application of those advanced scientific and technological findings of our era. Just as Karl Marx put it: The difference between economic eras does not lie in the question of what kind of products they offer but rather in the question of by what means they produce and with what means of production and labor. In this sense, industry can be seen as a means to introduce new technologies into life. To achieve that aim, the decisive factor rests with human beings whose intelligence and capabilities are increasingly higher. Everything must be done by human beings and for human beings. Through this, we can understand more profoundly that by improving both the level and the peak of people's intellectual and fostering and developing the huge resources of Vietnamese people will be a factor deciding the success of the national industrialization and modernization.

The goal of our industrialization and modernization is to create huge potentials capable of building a plentiful, free, and happy life for the entire people, building a prosperous people, a powerful country, and an equitable and civilized society, and firmly defending the fatherland's independence. This is a long and arduous process of struggle, requiring everyone to have great ambition and high determination to accept difficulties and ordeals and to make sacrifices when necessary to forever tide our country over backwardness and poverty in the advance toward standing shoulder to shoulder with various powerful countries on the five continents was advised by Uncle Ho. This is also the desire of countless preceding generations that we now must strive to unfailingly achieve. As these goal and desire are not something far off, they must be achieved correctly in each step of development. We must concern ourselves with gradually meeting all the essential daily needs of the people, gradually improving the material and spiritual life of the laboring people, correctly resolving the relations between capital accumulation and expenditure and between immediate interests and long-term ones. We must simultaneously mobilize and foster the people's potential and care for their daily needs in conjunction with efforts to practice thrift to be able to invest in production.

With this constant attention, we will be able to generate a strong and lasting momentum to achieve our long-term objective of ensuring the success of the industrial and modernization process.

Industrialization and modernization are the cause of the entire people. This comprehensive and in-depth revolution in all areas of social life requires us to invest vast amounts of intelligence and human and material resources. Only by mobilizing the great strength and creativity of the entire people under the correct leadership of the party and effective management of the state can we have the success guaranteed.

The industrialization policy, the purpose of which is to achieve industrialization and modernization, must be directed at establishing some essential industrial sectors for socioeconomic, national defense, and security development. Of these, processing and manufacturing industries are at the core while machinery and electronics industries occupy the leading positions. We must strive to surge forward to catch up with world progress by adopting rational steps with structures and scales suitable to our domestic conditions and our ability to achieve cooperation with the world in each given stage of development.

The industrialization policy must be closely linked with various policies and measures aimed at developing other sectors and fields of activity, and it must create mutual assistance and support to generate uniform development in the socioeconomic life of our country.

In the years to come, our capital capability will continue to be limited; the demands for employment will be very pressing; the people's lives will continue to face numerous difficulties; and the socioeconomic situation will not be truly stable. Therefore, efforts must be concentrated on stepping up the industrialization of agriculture and the countryside, striving to develop those industries that involve in the processing of agricultural, forestry, and marine products, consumer and export industries, and tourism and service sectors both in urban and rural areas, restoring, developing, and gradually modernizing those traditional artisan and handicraft branches and trades having huge markets at home and abroad.

We must vigorously develop the processing and manufacturing industries with specific attention given to restoring and developing the machinery, electronics, and computer sectors. We must weigh the pros and cons while selecting various projects and deciding on the timing for the start of construction of infrastructure facilities and in developing heavy industries such as energy, metallurgy, chemicals, raw materials production, and the like.

Appropriate attention must be given to the defense industry. Efforts must be made to work out plans and generate a momentum to mobilize various civilian industries to serve defense requirements in an effective fashion. At the same time, we must make maximum use of the potential of our defense industry to manufacture goods for civilian use to contribute to meeting requirements arising from production and life.

We must develop various medium and small-sized industries with advanced technologies, low investment capital, high profits, and short period of capital recovery in accordance with the motto of using short-term projects to finance long-term ones. Active preparations must be made to build some large-scale projects needed for present and long-term socioeconomic development.

We must give appropriate attention to making in-depth investment in the renovation of equipment to effectively exploit our existing production capabilities.

Part 2

BK0308150294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Aug 94

["Second part" of party General Secretary Do Muoi's speech at the seventh party Central Committee Seventh Plenum held from 25 to 30 July: "Further Step Up the Cause of National Industrialization and Modernization for the Purpose of Building a Prosperous People, a Powerful Country, and an Equitable and Civilized Society;" date not given—read by announcer]

[Text] Efforts must be made to correctly resolve issues related to relations between industry and agriculture, between workers and peasants, and between city and countryside. This task is strategically significant in the industrialization and modernization process.

Our country is an agricultural nation where 80 percent of its population lives in the countryside, most of whom are the majority of poor people in our society. As a result, the agricultural and rural socioeconomic development programs have been and will be our foremost tasks. It is necessary to state that agriculture alone can neither effect changes in the material-technical bases and industry, nor accelerate economic growth to create more jobs for peasants. To achieve this goal, however, we must vigorously strengthen industries and services while developing the nucleus role of cities in each zone and area. Only by attaining this goal will we be able to overcome the sluggishness and backwardness caused by a small-scale production agricultural economy; quickly increase the social production output and national income; effectively fight hunger and poverty; and make the peasants and the countryside increasingly prosperous. We must pay special attention to areas of the former revolutionary bases, areas inhabited by ethnic minorities, and areas in the highlands and remote regions. It is also necessary for the industrial sector in the countryside to develop in concert with the industrialization process in order to create a base for its firm and effective development. We must depend on the requirements of national industrialization and modernization to formulate an agricultural development program in the countryside.

To invest in industries, first of all we must effectively exploit the diversified potential of the agriculture, forestry, and fishery sectors. Efforts must be made to quickly zone off areas for various specialized crops, apply biochemistry and modern cultivation methods to agricultural production, step by step carry out agricultural industrialization in the countryside, and firmly ensure sufficient grain and foodstuffs to meet demand in the cities and rural areas. We must supply a large volume of high quality materials to production establishments while striving to reduce the cost of production to meet the requirements of the processing industry. Efforts must be made to increase the volume and value of exported agricultural goods. We must create more jobs for the peasants to help increase their income, strive to rearrange the division of social labor, and expand markets for industrial goods and services. We must manage agriculture in such a way that it can accumulate capital for industrialization to meet requirements for development, especially agricultural development in the countryside. Efforts must be made to supply industrial establishments with an educated, strong, and competent contingent of workers. For this reason, efforts to build equitable cooperative relations for mutual interest, assistance, and development between the industrial and agricultural sectors; between the city and the countryside; and between workers, peasants, and intellectuals are the key tasks in the industrialization and modernization process. The relationship between industry and agriculture can be strengthened by direct ties in industrial and agricultural investment projects or by indirect ties through the market. We must strive to regulate the circulation of goods between the city and the countryside and to balance the supply of agricultural and industrial goods. Efforts must be made to strengthen the worker-peasant-intellectual alliance in a spontaneous manner for mutual interest and development. We must make use of the economic alliance to consolidate and improve the political alliance. We must enhance the active role of state-run businesses, especially in the area of selling production materials and in purchasing agricultural products. Efforts must also be made to ensure a fair barter system to accelerate production development and to protect peasant interests.

Efforts must be made to accelerate educational, public health care, farmland irrigation, and rural electrification and communications development programs and ensure a safe water supply for daily consumption, thereby promoting an increasingly civilized life in the countryside and narrowing the gap of economic, cultural, and social development between the urban and rural areas. Steps must be taken to limit the migration of rural people to urban areas and encourage peasants to hold on to their villages but look for other occupations to engage in instead of farming alone. This calls for efforts to promote the local job market to encourage people to live in the countryside even though they do not engage in agricultural production.

The process of industrialization and modernization requires efforts to mobilize all economic sectors to positively support investment and development projects. Given the slow economic growth rate and special circumstances of our country, the state needs the participation of all economic sectors and people of all walks of life. This is a necessary measure to shorten the time needed for the industrialization and modernization program.

Our people are still poor and do not have substantial investment potential. Consequently, the state must do a lot of things to serve the common interests of society. Therefore, it is necessary to work out effective measures to reorganize, renovate, and develop the state business sector so that it can satisfactorily fulfill its leading role in supporting and stimulating the growth of other economic sectors. It is necessary for state business establishments to focus on key areas like infrastructure and projects that require high technology and large investment capital or take long periods of time to complete and yield returns. At the same time, it is necessary to meet all demands for goods, materials, and scientific- technological, commercial, financial, and banking services to create favorable conditions for the development of the national economy and society as a whole.

Due efforts must be made to develop the state sector not only in infrastructure but in goods production, circulation, and distribution, too. Regarding trading services, it is necessary not only to grasp the majority of wholesale services but also to devise appropriate forms and scales of retail services like supermarkets where many kinds of goods should be available and civilized customer service must be guaranteed. Prompt measures must be taken to overcome the situation in which state trading services are let to disintegrate, marketing cooperatives to collapse, and the majority of truck transport services to be taken over by the private sector as happened in the recent past.

It is necessary to classify state business establishments to facilitate the formulation of appropriate management policies and mechanisms. Some establishments have 100 percent state-funded investment capital. Others have an overwhelming volume of shares owned by the state, and the rest is sold to their manual and office workers or to other business establishments or economic sectors. Some establishments engage in joint ventures between the state and Vietnamese or foreign companies. Others are set up to serve the common interests of the national economy and society instead of fulfilling profit-oriented purposes. It could be that those business establishments operate at a loss and receive state financial assistance. Other establishments operate independently under the principle of autonomy in business operations. They operate profitably and successfully compete with other economic sectors. If a business establishment does not need to be operated by the state, then it can be leased or have its ownership right transferred.

It is necessary to base on the functions, duties, and areas of activities of each state business establishment to determine its scale of operations and size of personnel organization. Some establishments operate on a national or international scale. Others operate on a regional or local scale. It is necessary to make preparations for the establishment of a number of major economic organizations that are highly capable of drawing investment capital, meet modern organizational standards, and are strong enough to compete effectively in the domestic and international markets.

It is important to work out well-defined and appropriate forms to guarantee the state's ownership right over public assets made available to business establishments to support their operations. At the same time, it is necessary to grant well-defined and full right of autonomy to business establishments so that they can compete on the principle of equality and in accordance with state laws and regulations like other economic sectors.

Positive efforts are needed to find ways to increase the work efficiency of the state business sector. These include pilot projects to experiment with different forms of share-holding corporations, organization of board of directors, and appointment of managing directors pending the gradual abolishment of managing mechanisms.

Cooperative economy provides good development potential for producers of small scale or at individual level. Resulting from objective effects in the socialization process of production activities, cooperative economy develops diversifying forms, in both horizontal and vertical dimensions, the interaction of various forms of ownership, management pattern, and distribution method, thus responding beneficially to all production and business activities and economic sectors in the principles of voluntariness, equality, and mutual benefit.

Private economic sector should be encouraged and supported to lean more toward production activities and less on trading activities. Businessmen should always abide by laws, and the rightful benefits of workers are protected by the state, together with ownership and other legal entitlements of employers. Healthy relations between employers and employees in businesses should be sought, so that employers and employees can cooperate in the spirit of unity to solve all conflicts and difficulties arising during production or business operations. If employers gain profit and the living of employees improves through thriving business operations, then everyone is fulfilling obligations to the state. The state creates favorable economic environment with suitable legal stipulations and clear, consistent, fair, and stable regulations to help people invest confidently to develop their production and business activities. Business establishments belonging to all economic sectors receive assistance with favorable conditions to join lawful and healthy competition. The state helps and supports all forms of cooperative, individual, and private economic sectors in the fields of technology, information, marketing, personnel training, trade, credit, cooperation, joint venture, and share contribution to nonstate establishments to help them expand their production scale.

The multisectoral economic policy that develops in various forms, scales, and levels as described above is still being researched, supplemented and perfected, reflecting the innovative application of Lenin's thoughts in new economic policy, in which the content of state capitalism is quite suitable to the reality of our country in present time.

Industrialization and modernization should be implemented in the framework of an open economy, both domestically and in foreign relations. We should further develop our self-determination and innovation in strengthening mutually beneficial joint venture, contract, and cooperation activities among sectors, localities, and establishments. These activities will encourage effective business management, diversification in forms and concrete measures, and in emulation campaigns to catch up or surpass other establishments and localities while at the same time, avoiding departmentalism, individualism, disorder, and violation of state law and order.

The state and business establishments should find ways to adjust to and take advantage of the trend of internationalization of production and life. We should try to understand our partners and use wise strategies and tactics to win in the economic competition, which is becoming increasingly ruthless. Against the present regional and international background, the limitation of land and other resources, the abundance in manpower, and the advantages of cheap labor and convenient location require and enable us to select the industrialization strategy that focuses on export as a main factor for a rapid development and on replacing imports with self-supplied domestic goods and services. By developing exports we generate all comparative advantages such as using strong international purchasing power for our need to accumulate capital, which in turn helps expand production activities and expertise, creates more jobs and higher income, improves ability to import supplies and equipment to produce good quality and high-value-added goods and services that can compete strongly in both domestic and international markets.

To succeed in the export oriented strategy, we should be able to create trust in international relations in three areas: —in liquidation transaction in foreign currencies,
—in honoring business contracts, and
—in guaranteeing goods quality. Special effort should always be given to continuous improvement of exported goods.

Export development should also be coupled with encouragement and proper protection of domestic goods, not letting smuggled foreign goods outdoing domestic goods and damaging domestic production activities.

Government Holds Monthly Meeting 2-3 Aug

BK0308153994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Jul 94

[Text] The government held its regular monthly meeting for July in Hanoi on 2 and 3 August to discuss various drafts of laws, such as the law on state enterprise and the law on state budget, present its views about the draft law on the maintenance of communications projects and traffic safety, and decide on some other important issues.

The meeting was presided over by Prime Minister Vo Van Kiet.

After hearing Do Quoc San, minister of state in charge of the State Planning Committee, present a draft law on state enterprise, Ho Te, minister of public health, present a draft law on state budget, and a representative of the government office deliver a report providing a roundup of the views on the draft law on the maintenance of communications projects and traffic safety, cabinet members discussed and unanimously agreed to assign drafting committees to perfect the above draft laws and decrees based on suggestions made by the government prior to presenting it to the National Assembly and the National Assembly Standing Committee at their upcoming meetings.

Also at this meeting, the government heard Le Xuan Trinh, minister of state in charge of the government office, report on some suggestions made by various localities during working sessions held in July by the government with various localities in the country's three regions; and on certain tasks that needs the government's guiding instructions for the final months of 1994.

Deputy Prime Minister Phan Van Khai concluded the meeting by emphatically saying that the law on state enterprise and the law on state budget are very important because they will create conditions for the government to direct more effectively the process of national socioeconomic development. The government will assign drafting committees to perfect these draft laws prior to presenting them before the National Assembly.

The deputy prime minister also drew attention to a number of measures to be taken to continue to stabilize prices, contain inflation, practice thrift, ensure the pace of production development, firmly maintain the general economic growth rate, prepare 1995 budget estimates and planned budget allocations earlier than previous years to present them to the National Assembly for approval.

Minister Interviewed on Electricity Shortage

BK0108093394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Jul 94

[Interview with Thai Phung Ne, minister of energy, by unidentified station correspondent, on the electricity price increase; date and place not given—recorded]

[Text] [Correspondent] During my recent trips to Hanoi and a number of provinces, I heard many complaints from local businesses and peasants about the instability of the power supply. Electricity outages were said to have occurred frequently, thus adversely affecting business production and life. A number of radio and television stations in the central provinces also claim that low electricity output has affected their operations and made it impossible to ensure broadcast quality. Because of this, it is widely believed that after the 500-kilovolt powerline was put into operation, the electricity supply to various provinces, especially those in the north, has been substantially cut. Are these complaints correct? Could you explain the cause of this situation so the people can understand?

[Thai Phung Ne] As far as the central region is concerned, in the early stage—the first two weeks of June—when the 500-kilovolt power line began operation, the voltage level of 220- kilovolts in Hoa Binh was maintained at a level of 225 kilovolts which was lower than the previous level of 248 kilovolts. Therefore, this had an impact on the voltage to the central region. But since mid-June, after a discussion with power supply organs, it has been agreed that it is possible to upgrade the 500-kv voltage to a higher level. Accordingly, the voltage level of 220 kilovolts has also been upgraded to 248 kilovolts—the same level as before. Therefore, there is no reason why the central region has been affected by the voltage of the 500-kilovolt powerline. The main cause of the frequent power outages in the central region is due to fast-growing demands from additional power consumers at a time when there is only one power transmission line that brings in electricity from the north, that is, from Dong Hoi to Danang, Quang Ngai, and Qui Nhon with the portion from Quang Ngai to Qui Nhon having a voltage of 35 kilovolts. The number of power consumers has increased rapidly while we have only one north-south powerline. The powerline has therefore become overloaded. This has caused a sharp drop in terms of voltage and has on several occasions resulted in mandatory power cuts.

Regarding Ho Chi Minh City, the electricity network crisis here was not caused because the 550-kilovolt powerline transmitted too little or too much electricity, but the main cause of this situation is that additional requirements for electricity in the city have, in a short period of time, increased rapidly—from 5 million kilowatts/hour per day in 1990 to 8.5 million kilowatts/hour per day in early 1994, representing an increase of 20 percent per year. Because of the fast-growing demand for additional power, all power distribution stations in the city have been overloaded.

As for Hanoi municipality, the situation is much worse. Its daily power consumption requirement has increased from approximately 3 million kilowatts/hour in 1990 to the present level of 5.5 million kilowatts/hour. Its annual power consumption requirement has also increased by approximately 20 percent. Meanwhile, its power network has also been overloaded. More specifically, five out of it's eleven 110-kilovolt transformer stations have been reportedly overloaded. The quality of the power network in Hanoi is much more inferior to that of Ho Chi Minh City. Many of its cable lines were built in 1933 under French colonial times and have not been renovated at all.

[Correspondent] From what you have reported, will the energy sector adopt any measures to overcome the instability in the power supply?

[Thai Phung Ne] In the long run, we will carry out the renovation of the power network of Hanoi and Ho Chi Minh City and other large cities such as Nam Dinh, Hue, Danang, Nhatrang, Qui Nhon, and Can Tho in accordance with a $500 million power renovation program which, to be funded by the Asian Development Bank and the World Bank under the Overseas Development Aid Program, will be undertaken from 1995 to the year 2000. If we fail to take immediate measures between now and 1995, we will be unable to cope with the overloaded situation in Hanoi and Ho Chi Minh Cities. Therefore, the ministry has discussed with Electric Engineering Companies Nos. 1 and 2 and with Power Generating Authority Offices Nos. 1 and 2 of Ho Chi Minh City about the need to upgrade and renovate a number of key 110-kilovolt transformer stations from now to the end of the year. The ministry will create alternative power supply sources for major power consumers for emergency use and will, at the same time, strive to replace a number of overloaded cable lines.

[Correspondent] Dear comrade, earlier, when the 500-kilovolt powerline was in its first phase of operation, the energy sector issued a notice saying that it would satisfy all power consumption requirements and would drop the system of progressive fees. Why then has there been an increase in electricity fees for major users whose power consumption exceeds the 150 kilowatts/hour mark? Could you, Comrade minister, explain for the people why there has been such a change?

[Thai Phung Ne] We have already fulfilled our earlier promise that as soon as the 500-kilovolt powerline was put into operation, we would meet all the requirements of major power consumers and that we would cancel the practice of collecting progressive fees from major power users in the south. But in compliance with a program initiated by the National Assembly which requires that from 1994, sectors with an income as much as the electricity sector should not receive budgetary subsidies in order to encourage more budgetary savings for future development of power resources and electric networks. Proceeding from this decision, the government has also decided that beginning in 1994, the electricity generating sector must support itself financially in achieving development. As a result, those households whose electric meters show they use 150 units or below per month will continue to enjoy the electricity charge of 450 dong per unit. As for those households using more than 150 kilowatts/hour per month, we have agreed with the Pricing Committee to charge 600 dong per unit for those households using from 151-250 kilowatts/hour per month, and 800 dong per unit for those using from 251 kilowatts/hour per month upward. This is to implement a long-term plan designed to ensure that domestic sources of capital can gradually meet the growing requirements of the electricity sector.

[Correspondent] Thank you, Comrade.

Crude Oil Exports Reach 20 Million Tonnes

BK0408082794 Hanoi VNA in English 0638 GMT 4 Aug 94

[Text] Hanoi VNA August 4—Vietnam has so far exported more than 20 million tonnes of crude oil since

1987, of which the Vietnam National Oil Equipment and Technology Export-Import Corporation (PETECHIM) contributed 3,361,000 worth more than USD [U.S. dollars] 389 million.

PETECHIM has cooperated with the Maritime Transport Service in organizing an oil transporting fleet consisting of three ships with a total tonage of 450,000 tonnes. In 1994 the fleet plans to ship abroad 500,000 tonnes of crude oil.

While importing materials and equipment for VIETSOVPETRO, a joint venture between Vietnam and Russia, PETECHIM always satisfies requirements by its client. Recently it expanded its import items including oil products which met 20 per cent of the home market's demand and equipment and machinery for Tan Son Nhat Airport, Vinh Son Hydro-Electric Power Plant and the construction project of gas pipe system from Bach Ho oilfield to the mainland.

Thanks to those efforts, this year, the corporation has contributed to the state budget VND [Vietnamese dong] 200 billion, more than 60 per cent of the yearly plan.

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